



# புதுச்சேரி மாநில அரசிதழ்

## La Gazette de L'État de Poudouchéry The Gazette of Puducherry

### PART - I

சிறப்பு வெளியீடு

EXTRAORDINAIRE

EXTRAORDINARY

அதிகாரம் பெற்ற  
வெளியீடு

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### GOVERNMENT OF PUDUCHERRY LAW DEPARTMENT

No. 125/Leg./21/LD/Repub.

Puducherry, the 13th September 2021.

### NOTIFICATION

The following Central Act, Rules and Regulations, published, in the Gazette of India, is hereby republished for general information of the public.

- The Consumer Protection Act, 2019.
- The Consumer Protection (Consumer Disputes Redressal Commissions) Rules, 2020.
- The Consumer Protection (General) Rules, 2020.
- The Consumer Protection (Mediation) Rules, 2020.
- The Consumer Protection (Mediation) Regulations, 2020.
- The Consumer Protection (Consumer Commission Procedure) Regulations, 2020.
- The Consumer Protection (Administrative Control over the State Commission and the District Commission) Regulations, 2020.
- The Consumer Protection (Qualification for appointment, method of recruitment, procedure of appointment, term of office, resignation and removal of the President and Members of the State Commission and District Commission), Rules, 2020.

- (ix) The Consumer Protection (E-Commerce) Rules, 2020.
- (x) The Consumer Protection (E-Commerce) Amendment Rules, 2021.

(By order)

**N. MURUGAVEL,**  
Under Secretary to Government (Law).

**MINISTRY OF LAW AND JUSTICE**  
**(Legislative Department)**

*New Delhi, the 9th August, 2019/Shravana 18, 1941 (Saka)*

The following Act of Parliament received the assent of the President on the 9th August, 2019, and is hereby published for general information:—

**THE CONSUMER PROTECTION ACT, 2019**

No. 35 OF 2019

[9th August, 2019.]

An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

**CHAPTER I**

**PRELIMINARY**

Short title,  
extent,  
commencement  
and  
application.

1. (1) This Act may be called the Consumer Protection Act, 2019.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different States and for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

(4) Save as otherwise expressly provided by the Central Government, by notification, this Act shall apply to all goods and services.

Definitions.

2. In this Act, unless the context otherwise requires,—

(1) "advertisement" means any audio or visual publicity, representation, endorsement or pronouncement made by means of light, sound, smoke, gas, print, electronic media, internet or website and includes any notice, circular, label, wrapper, invoice or such other documents;

(2) "appropriate laboratory" means a laboratory or an organisation—

(i) recognised by the Central Government; or

(ii) recognised by a State Government, subject to such guidelines as may be issued by the Central Government in this behalf; or

(iii) established by or under any law for the time being in force, which is maintained, financed or aided by the Central Government or a State Government for carrying out analysis or test of any goods with a view to determining whether such goods suffer from any defect;

(3) "branch office" means—

(i) any office or place of work described as a branch by the establishment; or

(ii) any establishment carrying on either the same or substantially the same activity carried on by the head office of the establishment;

(4) "Central Authority" means the Central Consumer Protection Authority established under section 10;

(5) "complainant" means—

(i) a consumer; or

(ii) any voluntary consumer association registered under any law for the time being in force; or

(iii) the Central Government or any State Government; or

(iv) the Central Authority; or

(v) one or more consumers, where there are numerous consumers having the same interest; or

(vi) in case of death of a consumer, his legal heir or legal representative; or

(vii) in case of a consumer being a minor, his parent or legal guardian;

(6) "complaint" means any allegation in writing, made by a complainant for obtaining any relief provided by or under this Act, that—

(i) an unfair contract or unfair trade practice or a restrictive trade practice has been adopted by any trader or service provider;

(ii) the goods bought by him or agreed to be bought by him suffer from one or more defects;

(iii) the services hired or availed of or agreed to be hired or availed of by him suffer from any deficiency;

(iv) a trader or a service provider, as the case may be, has charged for the goods or for the services mentioned in the complaint, a price in excess of the price—

(a) fixed by or under any law for the time being in force; or

(b) displayed on the goods or any package containing such goods; or

(c) displayed on the price list exhibited by him by or under any law for the time being in force; or

(d) agreed between the parties;

(v) the goods, which are hazardous to life and safety when used, are being offered for sale to the public—

(a) in contravention of standards relating to safety of such goods as required to be complied with, by or under any law for the time being in force;

(b) where the trader knows that the goods so offered are unsafe to the public;

(vi) the services which are hazardous or likely to be hazardous to life and safety of the public when used, are being offered by a person who provides any service and who knows it to be injurious to life and safety;

(vii) a claim for product liability action lies against the product manufacturer, product seller or product service provider, as the case may be;

(7) "consumer" means any person who—

(i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or

(ii) hires or avails of any service for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such service other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person, but does not include a person who avails of such service for any commercial purpose.

*Explanation.*—For the purposes of this clause,—

(a) the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;

(b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;

(8) "consumer dispute" means a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint;

(9) "consumer rights" includes,—

(i) the right to be protected against the marketing of goods, products or services which are hazardous to life and property;

(ii) the right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices;

(iii) the right to be assured, wherever possible, access to a variety of goods, products or services at competitive prices;

(iv) the right to be heard and to be assured that consumer's interests will receive due consideration at appropriate fora;

(v) the right to seek redressal against unfair trade practice or restrictive trade practices or unscrupulous exploitation of consumers; and

(vi) the right to consumer awareness;

(10) "defect" means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or under any contract, express or implied or as is claimed by the trader in any manner whatsoever in relation to any goods or product and the expression "defective" shall be construed accordingly;

(11) "deficiency" means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service and includes—

(i) any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and

(ii) deliberate withholding of relevant information by such person to the consumer;

(12) "design", in relation to a product, means the intended or known physical and material characteristics of such product and includes any intended or known formulation or content of such product and the usual result of the intended manufacturing or other process used to produce such product;

(13) "direct selling" means marketing, distribution and sale of goods or provision of services through a network of sellers, other than through a permanent retail location;

(14) "Director-General" means the Director-General appointed under sub-section (2) of section 15;

(15) "District Commission" means a District Consumer Disputes Redressal Commission established under sub-section (1) of section 28;

(16) "e-commerce" means buying or selling of goods or services including digital products over digital or electronic network;



(17) "electronic service provider" means a person who provides technologies or processes to enable a product seller to engage in advertising or selling goods or services to a consumer and includes any online market place or online auction sites;

(18) "endorsement", in relation to an advertisement, means—

(i) any message, verbal statement, demonstration; or

(ii) depiction of the name, signature, likeness or other identifiable personal characteristics of an individual; or

(iii) depiction of the name or seal of any institution or organisation,

which makes the consumer to believe that it reflects the opinion, finding or experience of the person making such endorsement;

(19) "establishment" includes an advertising agency, commission agent, manufacturing, trading or any other commercial agency which carries on any business, trade or profession or any work in connection with or incidental or ancillary to any commercial activity, trade or profession, or such other class or classes of persons including public utility entities in the manner as may be prescribed;

(20) "express warranty" means any material statement, affirmation of fact, promise or description relating to a product or service warranting that it conforms to such material statement, affirmation, promise or description and includes any sample or model of a product warranting that the whole of such product conforms to such sample or model;

(21) "goods" means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006;

(22) "harm", in relation to a product liability, includes—

(i) damage to any property, other than the product itself;

(ii) personal injury, illness or death;

(iii) mental agony or emotional distress attendant to personal injury or illness or damage to property; or

(iv) any loss of consortium or services or other loss resulting from a harm referred to in sub-clause (i) or sub-clause (ii) or sub-clause (iii),

but shall not include any harm caused to a product itself or any damage to the property on account of breach of warranty conditions or any commercial or economic loss, including any direct, incidental or consequential loss relating thereto;

(23) "injury" means any harm whatever illegally caused to any person, in body, mind or property;

(24) "manufacturer" means a person who—

(i) makes any goods or parts thereof; or

(ii) assembles any goods or parts thereof made by others; or

(iii) puts or causes to be put his own mark on any goods made by any other person;

(25) "mediation" means the process by which a mediator mediates the consumer disputes;

(26) "mediator" means a mediator referred to in section 75;

(27) "member" includes the President and a member of the National Commission or a State Commission or a District Commission, as the case may be;

(28) "misleading advertisement" in relation to any product or service, means an advertisement, which—

(i) falsely describes such product or service; or

(ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or

(iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or

(iv) deliberately conceals important information;

(29) "National Commission" means the National Consumer Disputes Redressal Commission established under sub-section (1) of section 53;

(30) "notification" means a notification published in the Official Gazette and the term "notify" shall be construed accordingly;

(31) "person" includes—

(i) an individual;

(ii) a firm whether registered or not;

(iii) a Hindu undivided family;

(iv) a co-operative society;

(v) an association of persons whether registered under the Societies Registration Act, 1860 or not;

21 of 1860.

(vi) any corporation, company or a body of individuals whether incorporated or not;

(vii) any artificial juridical person, not falling within any of the preceding sub-clauses;

(32) "prescribed" means prescribed by rules made by the Central Government, or, as the case may be, the State Government;

(33) "product" means any article or goods or substance or raw material or any extended cycle of such product, which may be in gaseous, liquid, or solid state possessing intrinsic value which is capable of delivery either as wholly assembled or as a component part and is produced for introduction to trade or commerce, but does not include human tissues, blood, blood products and organs;

(34) "product liability" means the responsibility of a product manufacturer or product seller, of any product or service, to compensate for any harm caused to a consumer by such defective product manufactured or sold or by deficiency in services relating thereto;

(35) "product liability action" means a complaint filed by a person before a District Commission or State Commission or National Commission, as the case may be, for claiming compensation for the harm caused to him;

(36) "product manufacturer" means a person who—

(i) makes any product or parts thereof; or

(ii) assembles parts thereof made by others; or

(iii) puts or causes to be put his own mark on any products made by any other person; or

(iv) makes a product and sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains such product or is otherwise involved in placing such product for commercial purpose; or

(v) designs, produces, fabricates, constructs or re-manufactures any product before its sale; or

(vi) being a product seller of a product, is also a manufacturer of such product;

(37) "product seller", in relation to a product, means a person who, in the course of business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose and includes—

(i) a manufacturer who is also a product seller; or

(ii) a service provider,

but does not include—

(a) a seller of immovable property, unless such person is engaged in the sale of constructed house or in the construction of homes or flats;

(b) a provider of professional services in any transaction in which, the sale or use of a product is only incidental thereto, but furnishing of opinion, skill or services being the essence of such transaction;

(c) a person who—

(I) acts only in a financial capacity with respect to the sale of the product;

(II) is not a manufacturer, wholesaler, distributor, retailer, direct seller or an electronic service provider;

(III) leases a product, without having a reasonable opportunity to inspect and discover defects in the product, under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor;

(38) "product service provider", in relation to a product, means a person who provides any service in respect of such product;

(39) "regulations" means the regulations made by the National Commission, or as the case may be, the Central Authority;

(40) "Regulator" means a body or any authority established under any other law for the time being in force;

(41) "restrictive trade practice" means a trade practice which tends to bring about manipulation of price or its conditions of delivery or to affect flow of supplies in the market relating to goods or services in such a manner as to impose on the consumers unjustified costs or restrictions and shall include—

(i) delay beyond the period agreed to by a trader in supply of such goods or in providing the services which has led or is likely to lead to rise in the price;

(ii) any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as condition precedent for buying, hiring or availing of other goods or services;

(42) "service" means service of any description which is made available to potential users and includes, but not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, telecom, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service;

(43) "spurious goods" means such goods which are falsely claimed to be genuine;

(44) "State Commission" means a State Consumer Disputes Redressal Commission established under sub-section (1) of section 42;

(45) "trader", in relation to any goods, means a person who sells or distributes any goods for sale and includes the manufacturer thereof, and where such goods are sold or distributed in package form, includes the packer thereof;

(46) "unfair contract" means a contract between a manufacturer or trader or service provider on one hand, and a consumer on the other, having such terms which

cause significant change in the rights of such consumer, including the following, namely:—

(i) requiring manifestly excessive security deposits to be given by a consumer for the performance of contractual obligations; or

(ii) imposing any penalty on the consumer, for the breach of contract thereof which is wholly disproportionate to the loss occurred due to such breach to the other party to the contract; or

(iii) refusing to accept early repayment of debts on payment of applicable penalty; or

(iv) entitling a party to the contract to terminate such contract unilaterally, without reasonable cause; or

(v) permitting or has the effect of permitting one party to assign the contract to the detriment of the other party who is a consumer, without his consent; or

(vi) imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage;

(47) "unfair trade practice" means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—

(i) making any statement, whether orally or in writing or by visible representation including by means of electronic record, which—

(a) falsely represents that the goods are of a particular standard, quality, quantity, grade, composition, style or model;

(b) falsely represents that the services are of a particular standard, quality or grade;

(c) falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods;

(d) represents that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have;

(e) represents that the seller or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have;

(f) makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;

(g) gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof;

Provided that where a defence is raised to the effect that such warranty or guarantee is based on adequate or proper test, the burden of proof of such defence shall lie on the person raising such defence;

(h) makes to the public a representation in a form that purports to be—

(A) a warranty or guarantee of a product or of any goods or services; or

(B) a promise to replace, maintain or repair an article or any part thereof or to repeat or continue a service until it has achieved a specified result,

if such purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that such warranty, guarantee or promise will be carried out;

(i) materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;

(j) gives false or misleading facts disparaging the goods, services or trade of another person.

*Explanation.*—For the purposes of this sub-clause, a statement that is,—

(A) expressed on an article offered or displayed for sale, or on its wrapper or container; or

(B) expressed on anything attached to, inserted in, or accompanying, an article offered or displayed for sale, or on anything on which the article is mounted for display or sale; or

(C) contained in or on anything that is sold, sent, delivered, transmitted or in any other manner whatsoever made available to a member of the public,

shall be deemed to be a statement made to the public by, and only by, the person who had caused the statement to be so expressed, made or contained;

(ii) permitting the publication of any advertisement, whether in any newspaper or otherwise, including by way of electronic record, for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature of the market in which the business is carried on, the nature and size of business, and the nature of the advertisement.

*Explanation.*—For the purpose of this sub-clause, "bargain price" means,—

(A) a price that is stated in any advertisement to be a bargain price, by reference to an ordinary price or otherwise; or

(B) a price that a person who reads, hears or sees the advertisement, would reasonably understand to be a bargain price having regard to the prices at which the product advertised or like products are ordinarily sold;

(iii) permitting—

(a) the offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged, in the transaction as a whole;

(b) the conduct of any contest, lottery, game of chance or skill, for the purpose of promoting, directly or indirectly, the sale, use or supply of any product or any business interest, except such contest, lottery, game of chance or skill as may be prescribed;

(c) withholding from the participants of any scheme offering gifts, prizes or other items free of charge on its closure, the information about final results of the scheme.

*Explanation.*—For the purpose of this sub-clause, the participants of a scheme shall be deemed to have been informed of the final results of the scheme where such results are within a reasonable time published, prominently in the same newspaper in which the scheme was originally advertised;

(iv) permitting the sale or supply of goods intended to be used, or are of a kind likely to be used by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by the competent authority relating to performance, composition, contents, design, constructions, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods;

(v) permitting the hoarding or destruction of goods, or refusal to sell the goods or to make them available for sale or to provide any service, if such hoarding or destruction or refusal raises or tends to raise or is intended to raise, the cost of those or other similar goods or services;

(vi) manufacturing of spurious goods or offering such goods for sale or adopting deceptive practices in the provision of services;

(vii) not issuing bill or cash memo or receipt for the goods sold or services rendered in such manner as may be prescribed;

(viii) refusing, after selling goods or rendering services, to take back or withdraw defective goods or to withdraw or discontinue deficient services and to refund the consideration thereof, if paid, within the period stipulated in the bill or cash memo or receipt or in the absence of such stipulation, within a period of thirty days;

(ix) disclosing to other person any personal information given in confidence by the consumer unless such disclosure is made in accordance with the provisions of any law for the time being in force.

## CHAPTER II

### CONSUMER PROTECTION COUNCILS

Central  
Consumer.  
Protection  
Council.

3. (1) The Central Government shall, by notification, establish with effect from such date as it may specify in that notification, the Central Consumer Protection Council to be known as the Central Council.

(2) The Central Council shall be an advisory council and consist of the following members, namely:—

(a) the Minister-in-charge of the Department of Consumer Affairs in the Central Government, who shall be the Chairperson; and

(b) such number of other official or non-official members representing such interests as may be prescribed.

Procedure for  
meetings of  
Central  
Council.

4. (1) The Central Council shall meet as and when necessary, but at least one meeting of the Council shall be held every year.

(2) The Central Council shall meet at such time and place as the Chairperson may think fit and shall observe such procedure in regard to the transaction of its business as may be prescribed.

Objects of  
Central  
Council.

5. The objects of the Central Council shall be to render advice on promotion and protection of the consumers' rights under this Act.



6. (1) Every State Government shall, by notification, establish with effect from such date as it may specify in such notification, a State Consumer Protection Council for such State to be known as the State Council.

State  
Consumer  
Protection  
Councils.

(2) The State Council shall be an advisory council and consist of the following members, namely:—

(a) the Minister-in-charge of Consumer Affairs in the State Government who shall be the Chairperson;

(b) such number of other official or non-official members representing such interests as may be prescribed;

(c) such number of other official or non-official members, not exceeding ten, as may be nominated by the Central Government.

(3) The State Council shall meet as and when necessary but not less than two meetings shall be held every year.

(4) The State Council shall meet at such time and place as the Chairperson may think fit and shall observe such procedure in regard to the transaction of its business, as may be prescribed.

7. The objects of every State Council shall be to render advice on promotion and protection of consumer rights under this Act within the State.

Objects of  
State Council.

8. (1) The State Government shall, by notification, establish for every District with effect from such date as it may specify in such notification, a District Consumer Protection Council to be known as the District Council.

District  
Consumer  
Protection  
Council.

(2) The District Council shall be an advisory council and consist of the following members, namely:—

(a) the Collector of the district (by whatever name called), who shall be the Chairperson; and

(b) such number of other official and non-official members representing such interests as may be prescribed.

(3) The District Council shall meet as and when necessary but not less than two meetings shall be held every year.

(4) The District Council shall meet at such time and place within the district as the Chairperson may think fit and shall observe such procedure in regard to the transaction of its business as may be prescribed.

9. The objects of every District Council shall be to render advice on promotion and protection of consumer rights under this Act within the district.

Objects of  
District  
Council.

### CHAPTER III

#### CENTRAL CONSUMER PROTECTION AUTHORITY

10. (1) The Central Government shall, by notification, establish with effect from such date as it may specify in that notification, a Central Consumer Protection Authority to be known as the Central Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.

Establishment  
of Central  
Consumer  
Protection  
Authority.

(2) The Central Authority shall consist of a Chief Commissioner and such number of other Commissioners as may be prescribed, to be appointed by the Central Government to exercise the powers and discharge the functions under this Act.



(3) The headquarters of the Central Authority shall be at such place in the National Capital Region of Delhi, and it shall have regional and other offices in any other place in India as the Central Government may decide.

Qualifications,  
method of  
recruitment,  
etc., of Chief  
Commissioner  
and  
Commissioners.

11. The Central Government may, by notification, make rules to provide for the qualifications for appointment, method of recruitment, procedure for appointment, term of office, salaries and allowances, resignation, removal and other terms and conditions of the service of the Chief Commissioner and Commissioners of the Central Authority.

Vacancy, etc.,  
not to  
invalidate  
proceedings  
of Central  
Authority.

12. No act or proceeding of the Central Authority shall be invalid merely by reason of—

- (a) any vacancy in, or any defect in the constitution of, the Central Authority; or
- (b) any defect in the appointment of a person acting as the Chief Commissioner or as a Commissioner; or
- (c) any irregularity in the procedure of the Central Authority not affecting the merits of the case.

Appointment  
of officers,  
experts,  
professionals  
and other  
employees of  
Central  
Authority.

13. (1) The Central Government shall provide the Central Authority such number of officers and other employees as it considers necessary for the efficient performance of its functions under this Act.

(2) The salaries and allowances payable to, and the other terms and conditions of service of, the officers and other employees of the Central Authority appointed under this Act shall be such as may be prescribed.

(3) The Central Authority may engage, in accordance with the procedure specified by regulations, such number of experts and professionals of integrity and ability, who have special knowledge and experience in the areas of consumer rights and welfare, consumer policy, law, medicine, food safety, health, engineering, product safety, commerce, economics, public affairs or administration, as it deems necessary to assist it in the discharge of its functions under this Act.

Procedure of  
Central  
Authority.

14. (1) The Central Authority shall regulate the procedure for transaction of its business and allocation of its business amongst the Chief Commissioner and Commissioners as may be specified by regulations.

(2) The Chief Commissioner shall have the powers of general superintendence, direction and control in respect of all administrative matters of the Central Authority:

Provided that the Chief Commissioner may delegate such of his powers relating to administrative matters of the Central Authority, as he may think fit, to any Commissioner (including Commissioner of a regional office) or any other officer of the Central Authority.

Investigation  
Wing.

15. (1) The Central Authority shall have an Investigation Wing headed by a Director-General for the purpose of conducting inquiry or investigation under this Act as may be directed by the Central Authority.

(2) The Central Government may appoint a Director-General and such number of Additional Director-General, Director, Joint Director, Deputy Director and Assistant Director, from amongst persons who have experience in investigation and possess such qualifications, in such manner, as may be prescribed.

(3) Every Additional Director-General, Director, Joint Director, Deputy Director and Assistant Director shall exercise his powers, and discharge his functions, subject to the general control, supervision and direction of the Director-General.

(4) The Director-General may delegate all or any of his powers to the Additional Director-General or Director, Joint Director or Deputy Director or Assistant Director, as the case may be, while conducting inquiries or investigations under this Act.

(5) The inquiries or the investigations made by the Director- General shall be submitted to the Central Authority in such form, in such manner and within such time, as may be specified by regulations.

16. The District Collector (by whatever name called) may, on a complaint or on a reference made to him by the Central Authority or the Commissioner of a regional office, inquire into or investigate complaints regarding violation of rights of consumers as a class, on matters relating to violations of consumer rights, unfair trade practices and false or misleading advertisements, within his jurisdiction and submit his report to the Central Authority or to the Commissioner of a regional office, as the case may be.

Power of  
District  
Collector.

17. A complaint relating to violation of consumer rights or unfair trade practices or false or misleading advertisements which are prejudicial to the interests of consumers as a class, may be forwarded either in writing or in electronic mode, to any one of the authorities, namely, the District Collector or the Commissioner of regional office or the Central Authority.

Complaints to  
authorities.

18. (1) The Central Authority shall—

Powers and  
functions of  
Central  
Authority.

(a) protect, promote and enforce the rights of consumers as a class, and prevent violation of consumers rights under this Act;

(b) prevent unfair trade practices and ensure that no person engages himself in unfair trade practices;

(c) ensure that no false or misleading advertisement is made of any goods or services which contravenes the provisions of this Act or the rules or regulations made thereunder;

(d) ensure that no person takes part in the publication of any advertisement which is false or misleading.

(2) Without prejudice to the generality of the provisions contained in sub-section (1), the Central Authority may, for any of the purposes aforesaid,—

(a) inquire or cause an inquiry or investigation to be made into violations of consumer rights or unfair trade practices, either *suo motu* or on a complaint received or on the directions from the Central Government;

(b) file complaints before the District Commission, the State Commission or the National Commission, as the case may be, under this Act;

(c) intervene in any proceedings before the District Commission or the State Commission or the National Commission, as the case may be, in respect of any allegation of violation of consumer rights or unfair trade practices;

(d) review the matters relating to, and the factors inhibiting enjoyment of, consumer rights, including safeguards provided for the protection of consumers under any other law for the time being in force and recommend appropriate remedial measures for their effective implementation;

(e) recommend adoption of international covenants and best international practices on consumer rights to ensure-effective enforcement of consumer rights;

(f) undertake and promote research in the field of consumer rights;

(g) spread and promote awareness on consumer rights;

(h) encourage non-Governmental organisations and other institutions working in the field of consumer rights to co-operate and work with consumer protection agencies;

(i) mandate the use of unique and universal goods identifiers in such goods, as may be necessary, to prevent unfair trade practices and to protect consumers' interest;

(j) issue safety notices to alert consumers against dangerous or hazardous or unsafe goods or services;

(k) advise the Ministries and Departments of the Central and State Governments on consumer welfare measures;

(l) issue necessary guidelines to prevent unfair trade practices and protect consumers' interest.

Power of  
Central  
Authority to  
refer matter  
for  
investigation  
or to other  
Regulator.

19. (1) The Central Authority may, after receiving any information or complaint or directions from the Central Government or of its own motion, conduct or cause to be conducted a preliminary inquiry as to whether there exists a *prima facie* case of violation of consumer rights or any unfair trade practice or any false or misleading advertisement, by any person, which is prejudicial to the public interest or to the interests of consumers and if it is satisfied that there exists a *prima facie* case, it shall cause investigation to be made by the Director-General or by the District Collector.

(2) Where, after preliminary inquiry, the Central Authority is of the opinion that the matter is to be dealt with by a Regulator established under any other law for the time being in force, it may refer such matter to the concerned Regulator along with its report.

(3) For the purposes of investigation under sub-section (1), the Central Authority, the Director General or the District Collector may call upon a person referred to in sub-section (1) and also direct him to produce any document or record in his possession.

Power of  
Central  
Authority to  
recall goods,  
etc.

20. Where the Central Authority is satisfied on the basis of investigation that there is sufficient evidence to show violation of consumer rights or unfair trade practice by a person, it may pass such order as may be necessary, including—

(a) recalling of goods or withdrawal of services which are dangerous, hazardous or unsafe;

(b) reimbursement of the prices of goods or services so recalled to purchasers of such goods or services; and

(c) discontinuation of practices which are unfair and prejudicial to consumers' interest;

Provided that the Central Authority shall give the person an opportunity of being heard before passing an order under this section.

Power of  
Central  
Authority to  
issue  
directions and  
penalties  
against false  
or misleading  
advertisements.

21. (1) Where the Central Authority is satisfied after investigation that any advertisement is false or misleading and is prejudicial to the interest of any consumer or is in contravention of consumer rights, it may, by order, issue directions to the concerned trader or manufacturer or endorser or advertiser or publisher, as the case may be, to discontinue such advertisement or to modify the same in such manner and within such time as may be specified in that order.

(2) Notwithstanding the order passed under sub-section (1), if the Central Authority is of the opinion that it is necessary to impose a penalty in respect of such false or misleading advertisement, by a manufacturer or an endorser, it may, by order, impose on manufacturer or endorser a penalty which may extend to ten lakh rupees:

Provided that the Central Authority may, for every subsequent contravention by a manufacturer or endorser, impose a penalty, which may extend to fifty lakh rupees.

(3) Notwithstanding any order under sub-sections (1) and (2), where the Central Authority deems it necessary, it may, by order, prohibit the endorser of a false or misleading advertisement from making endorsement of any product or service for a period which may extend to one year:

Provided that the Central Authority may, for every subsequent contravention, prohibit such endorser from making endorsement in respect of any product or service for a period which may extend to three years.

(4) Where the Central Authority is satisfied after investigation that any person is found to publish, or is a party to the publication of, a misleading advertisement, it may impose on such person a penalty which may extend to ten lakh rupees.

(5) No endorser shall be liable to a penalty under sub-sections (2) and (3) if he has exercised due diligence to verify the veracity of the claims made in the advertisement regarding the product or service being endorsed by him.

(6) No person shall be liable to such penalty if he proves that he had published or arranged for the publication of such advertisement in the ordinary course of his business:

Provided that no such defence shall be available to such person if he had previous knowledge of the order passed by the Central Authority for withdrawal or modification of such advertisement.

(7) While determining the penalty under this section, regard shall be had to the following, namely:—

- (a) the population and the area impacted or affected by such offence;
- (b) the frequency and duration of such offence;
- (c) the vulnerability of the class of persons likely to be adversely affected by such offence; and
- (d) the gross revenue from the sales effected by virtue of such offence.

(8) The Central Authority shall give the person an opportunity of being heard before an order under this section is passed.

22. (1) For the purpose of conducting an investigation after preliminary inquiry under sub-section (1) of section 19, the Director-General or any other officer authorised by him in this behalf, or the District Collector, as the case may be, may, if he has any reason to believe that any person has violated any consumer rights or committed unfair trade practice or causes any false or misleading advertisement to be made, shall,—

Search and seizure.

- (a) enter at any reasonable time into any such premises and search for any document or record or article or any other form of evidence and seize such document, record, article or such evidence;
- (b) make a note or an inventory of such record or article; or
- (c) require any person to produce any record, register or other document or article.

2 of 1974.

(2) The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, for search and seizure under this Act.

(3) Every document, record or article seized under clause (a) of sub-section (1) or produced under clause (c) of that sub-section shall be returned to the person, from whom they were seized or who produced the same, within a period of twenty days of the date of such seizure or production, as the case may be, after copies thereof or extracts therefrom certified by that person, in such manner as may be prescribed, have been taken.

(4) Where any article seized under sub-section (1) are subject to speedy or natural decay, the Director-General or such other officer may dispose of the article in such manner as may be prescribed.

(5) In the case of articles other than the articles referred to in sub-section (4), provisions contained in clause (c) of sub-section (2) of section 38 shall *mutatis mutandis* apply in relation to analysis or tests.

Designation of any statutory authority or body to function as Central Authority.

23. The Central Government may, if it considers necessary, by notification, designate any statutory authority or body to exercise the powers and perform the functions of the Central Authority referred to in section 10.

Appeal.

24. A person aggrieved by any order passed by the Central Authority under sections 20 and 21 may file an appeal to the National Commission within a period of thirty days from the date of receipt of such order.

Grants by Central Government.

25. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Central Authority grants of such sums of money as that Government may think fit for being utilised for the purposes of this Act.

Accounts and audit.

26. (1) The Central Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form and manner as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Central Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Central Authority to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India or any other person appointed by him in connection with the audit of the accounts of the Central Authority shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India generally has, in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Central Authority.

(4) The accounts of the Central Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government which shall cause the same to be laid before each House of Parliament.

Furnishing of annual reports, etc.

27. (1) The Central Authority shall prepare once in every year, in such form, manner and at such time as may be prescribed, an annual report giving full account of its activities during the previous year and such other reports and returns, as may be directed, and copies of such report and returns shall be forwarded to the Central Government.

(2) A copy of the annual report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament.

#### CHAPTER IV

##### CONSUMER DISPUTES REDRESSAL COMMISSION

Establishment of District Consumer Disputes Redressal Commission.

28. (1) The State Government shall, by notification, establish a District Consumer Disputes Redressal Commission, to be known as the District Commission, in each district of the State:

Provided that the State Government may, if it deems fit, establish more than one District Commission in a district.

(2) Each District Commission shall consist of—

(a) a President; and

(b) not less than two and not more than such number of members as may be prescribed, in consultation with the Central Government.



29. The Central Government may, by notification, make rules to provide for the qualifications, method of recruitment, procedure for appointment, term of office, resignation and removal of the President and members of the District Commission.

Qualifications, etc., of President and members of District Commission.

30. The State Government may, by notification, make rules to provide for salaries and allowances and other terms and conditions of service of the President, and members of the District Commission.

Salaries, allowances and other terms and conditions of service of President and members of District Commission.

31. Any person appointed as President or, as the case may be, a member of the District Commission immediately before the commencement of this Act shall hold office as such as President or, as the case may be, as member till the completion of his term for which he has been appointed.

Transitional provision.

32. If, at any time, there is a vacancy in the office of the President or member of a District Commission, the State Government may, by notification, direct—

Vacancy in office of member of District Commission.

(a) any other District Commission specified in that notification to exercise the jurisdiction in respect of that district also; or

(b) the President or a member of any other District Commission specified in that notification to exercise the powers and discharge the functions of the President or member of that District Commission also.

33. (1) The State Government shall provide the District Commission with such officers and other employees as may be required to assist the District Commission in the discharge of its functions.

Officers and other employees of District Commission.

(2) The officers and other employees of the District Commission shall discharge their functions under the general superintendence of the President of the District Commission.

(3) The salaries and allowances payable to, and the other terms and conditions of service of, the officers and other employees of the District Commission shall be such as may be prescribed.

34. (1) Subject to the other provisions of this Act, the District Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed one crore rupees:

Jurisdiction of District Commission.

Provided that where the Central Government deems it necessary so to do, it may prescribe such other value, as it deems fit.

(2) A complaint shall be instituted in a District Commission within the local limits of whose jurisdiction,—

(a) the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, ordinarily resides or carries on business or has a branch office or personally works for gain; or

(b) any of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides, or carries on business or has a branch office, or personally works for gain, provided that in such case the permission of the District Commission is given; or

(c) the cause of action, wholly or in part, arises; or

(d) the complainant resides or personally works for gain.

(3) The District Commission shall ordinarily function in the district headquarters and may perform its functions at such other place in the district, as the State Government may, in consultation with the State Commission, notify in the Official Gazette from time to time.

Manner in which complaint shall be made.

35. (1) A complaint, in relation to any goods sold or delivered or agreed to be sold or delivered or any service provided or agreed to be provided, may be filed with a District Commission by—

(a) the consumer,—

(i) to whom such goods are sold or delivered or agreed to be sold or delivered or such service is provided or agreed to be provided; or

(ii) who alleges unfair trade practice in respect of such goods or service;

(b) any recognised consumer association, whether the consumer to whom such goods are sold or delivered or agreed to be sold or delivered or such service is provided or agreed to be provided, or who alleges unfair trade practice in respect of such goods or service, is a member of such association or not;

(c) one or more consumers, where there are numerous consumers having the same interest, with the permission of the District Commission, on behalf of, or for the benefit of, all consumers so interested; or

(d) the Central Government, the Central Authority or the State Government, as the case may be:

Provided that the complaint under this sub-section may be filed electronically in such manner as may be prescribed.

*Explanation.*—For the purposes of this sub-section, "recognised consumer association" means any voluntary consumer association registered under any law for the time being in force.

(2) Every complaint filed under sub-section (1) shall be accompanied with such fee and payable in such manner, including electronic form, as may be prescribed.

Proceedings before District Commission.

36. (1) Every proceeding before the District Commission shall be conducted by the President of that Commission and atleast one member thereof, sitting together:

Provided that where a member, for any reason, is unable to conduct a proceeding till it is completed, the President and the other member shall continue the proceeding from the stage at which it was last heard by the previous member.

(2) On receipt of a complaint made under section 35, the District Commission may, by order, admit the complaint for being proceeded with or reject the same:

Provided that a complaint shall not be rejected under this section unless an opportunity of being heard has been given to the complainant:

Provided further that the admissibility of the complaint shall ordinarily be decided within twenty-one days from the date on which the complaint was filed.

(3) Where the District Commission does not decide the issue of admissibility of the complaint within the period so specified, it shall be deemed to have been admitted.

Reference to mediation.

37. (1) At the first hearing of the complaint after its admission, or at any later stage, if it appears to the District Commission that there exists elements of a settlement which may be acceptable to the parties, except in such cases as may be prescribed, it may direct the parties to give in writing, within five days, consent to have their dispute settled by mediation in accordance with the provisions of Chapter V.

(2) Where the parties agree for settlement by mediation and give their consent in writing, the District Commission shall, within five days of receipt of such consent, refer the



matter for mediation, and in such case, the provisions of Chapter V, relating to mediation, shall apply.

38. (1) The District Commission shall, on admission of a complaint, or in respect of cases referred for mediation on failure of settlement by mediation, proceed with such complaint. Procedure on admission of complaint.

(2) Where the complaint relates to any goods, the District Commission shall,—

(a) refer a copy of the admitted complaint, within twenty-one days from the date of its admission to the opposite party mentioned in the complaint directing him to give his version of the case within a period of thirty days or such extended period not exceeding fifteen days as may be granted by it;

(b) if the opposite party on receipt of a complaint referred to him under clause (a) denies or disputes the allegations contained in the complaint, or omits or fails to take any action to represent his case within the time given by the District Commission, proceed to settle the consumer dispute in the manner specified in clauses (c) to (g);

(c) if the complaint alleges a defect in the goods which cannot be determined without proper analysis or test of the goods, obtain a sample of the goods from the complainant, seal it and authenticate it in the manner as may be prescribed and refer the sample so sealed to the appropriate laboratory along with a direction that such laboratory to make an analysis or test, whichever may be necessary, with a view to finding out whether such goods suffer from any defect alleged in the complaint or from any other defect and to report its findings thereon to the District Commission within a period of forty-five days of the receipt of the reference or within such extended period as may be granted by it;

(d) before any sample of the goods is referred to any appropriate laboratory under clause (c), require the complainant to deposit to the credit of the Commission such fees as may be specified, for payment to the appropriate laboratory for carrying out the necessary analysis or test in relation to the goods in question;

(e) remit the amount deposited to its credit under clause (d) to the appropriate laboratory to enable it to carry out the analysis or test mentioned in clause (c) and on receipt of the report from the appropriate laboratory, it shall forward a copy of the report along with such remarks as it may feel appropriate to the opposite party;

(f) if any of the parties disputes the correctness of the findings of the appropriate laboratory, or disputes the correctness of the methods of analysis or test adopted by the appropriate laboratory, require the opposite party or the complainant to submit in writing his objections with regard to the report made by the appropriate laboratory;

(g) give a reasonable opportunity to the complainant as well as the opposite party of being heard as to the correctness or otherwise of the report made by the appropriate laboratory and also as to the objection made in relation thereto under clause (f) and issue an appropriate order under section 39.

(3) The District Commission shall, if the complaint admitted by it under sub-section (2) of section 36 relates to goods in respect of which the procedure specified in sub-section (2) cannot be followed, or if the complaint relates to any services,—

(a) refer a copy of such complaint to the opposite party directing him to give his version of the case within a period of thirty days or such extended period not exceeding fifteen days as may be granted by the District Commission;

(b) if the opposite party, on receipt of a copy of the complaint, referred to him under clause (a) denies or disputes the allegations contained in the complaint, or omits or fails to take any action to represent his case within the time given by the District Commission, it shall proceed to settle the consumer dispute—

(i) on the basis of evidence brought to its notice by the complainant and the opposite party, if the opposite party denies or disputes the allegations contained in the complaint, or

(ii) *ex parte* on the basis of evidence brought to its notice by the complainant, where the opposite party omits or fails to take any action to represent his case within the time given by the Commission;

(c) decide the complaint on merits if the complainant fails to appear on the date of hearing.

(4) For the purposes of sub-sections (2) and (3), the District Commission may, by order, require an electronic service provider to provide such information, documents or records, as may be specified in that order.

(5) No proceedings complying with the procedure laid down in sub-sections (1) and (2) shall be called in question in any court on the ground that the principles of natural justice have not been complied with.

(6) Every complaint shall be heard by the District Commission on the basis of affidavit and documentary evidence placed on record:

Provided that where an application is made for hearing or for examination of parties in person or through video conferencing, the District Commission may, on sufficient cause being shown, and after recording its reasons in writing, allow the same.

(7) Every complaint shall be disposed of as expeditiously as possible and endeavour shall be made to decide the complaint within a period of three months from the date of receipt of notice by opposite party where the complaint does not require analysis or testing of commodities and within five months if it requires analysis or testing of commodities:

Provided that no adjournment shall ordinarily be granted by the District Commission unless sufficient cause is shown and the reasons for grant of adjournment have been recorded in writing by the Commission:

Provided further that the District Commission shall make such orders as to the costs occasioned by the adjournment as may be specified by regulations:

Provided also that in the event of a complaint being disposed of after the period so specified, the District Commission shall record in writing, the reasons for the same at the time of disposing of the said complaint.

(8) Where during the pendency of any proceeding before the District Commission, if it appears necessary, it may pass such interim order as is just and proper in the facts and circumstances of the case.

(9) For the purposes of this section, the District Commission shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying a suit in respect of the following matters, namely:— 5 of 1908.

(a) the summoning and enforcing the attendance of any defendant or witness and examining the witness on oath;

(b) requiring the discovery and production of any document or other material object as evidence;

(c) receiving of evidence on affidavits;

(d) the requisitioning of the report of the concerned analysis or test from the appropriate laboratory or from any other relevant source;

(e) issuing of commissions for the examination of any witness, or document; and

(f) any other matter which may be prescribed by the Central Government.

45 of 1860. (10) Every proceeding before the District Commission shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code, and the District Commission shall be deemed to be a criminal court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

2 of 1974. (11) Where the complainant is a consumer referred to in sub-clause (v) of clause (5) of section 2, the provisions of Order I Rule 8 of the First Schedule to the Code of Civil Procedure, 1908 shall apply subject to the modification that every reference therein to a suit or decree shall be construed as a reference to a complaint or the order of the District Commission thereon.

5 of 1908. (12) In the event of death of a complainant who is a consumer or of the opposite party against whom the complaint has been filed, the provisions of Order XXII of the First Schedule to the Code of Civil Procedure, 1908 shall apply subject to the modification that every reference therein to the plaintiff and the defendant shall be construed as reference to a complainant or the opposite party, as the case may be.

39. (1) Where the District Commission is satisfied that the goods complained against suffer from any of the defects specified in the complaint or that any of the allegations contained in the complaint about the services or any unfair trade practices, or claims for compensation under product liability are proved, it shall issue an order to the opposite party directing him to do one or more of the following, namely:—

Findings of District Commission.

(a) to remove the defect pointed out by the appropriate laboratory from the goods in question;

(b) to replace the goods with new goods of similar description which shall be free from any defect;

(c) to return to the complainant the price, or, as the case may be, the charges paid by the complainant along with such interest on such price or charges as may be decided;

(d) to pay such amount as may be awarded by it as compensation to the consumer for any loss or injury suffered by the consumer due to the negligence of the opposite party;

Provided that the District Commission shall have the power to grant punitive damages in such circumstances as it deems fit;

(e) to pay such amount as may be awarded by it as compensation in a product liability action under Chapter VI;

(f) to remove the defects in goods or deficiencies in the services in question;

(g) to discontinue the unfair trade practice or restrictive trade practice and not to repeat them;

(h) not to offer the hazardous or unsafe goods for sale;

(i) to withdraw the hazardous goods from being offered for sale;

(j) to cease manufacture of hazardous goods and to desist from offering services which are hazardous in nature;

(k) to pay such sum as may be determined by it, if it is of the opinion that loss or injury has been suffered by a large number of consumers who are not identifiable conveniently;

Provided that the minimum amount of sum so payable shall not be less than twenty-five per cent. of the value of such defective goods sold or service provided, as the case may be, to such consumers;

(l) to issue corrective advertisement to neutralise the effect of misleading advertisement at the cost of the opposite party responsible for issuing such misleading advertisement;

(m) to provide for adequate costs to parties; and

(n) to cease and desist from issuing any misleading advertisement.

(2) Any amount obtained under sub-section (1) shall be credited to such fund and utilised in such manner as may be prescribed.

(3) In any proceeding conducted by the President and a member and if they differ on any point or points, they shall state the point or points on which they differ and refer the same to another member for hearing on such point or points and the opinion of the majority shall be the order of the District Commission:

Provided that the other member shall give his opinion on such point or points referred to him within a period of one month from the date of such reference.

(4) Every order made by the District Commission under sub-section (1) shall be signed by the President and the member who conducted the proceeding:

Provided that where the order is made as per majority opinion under sub-section (3), such order shall also be signed by the other member.

Review by  
District  
Commission  
in certain  
cases.

40. The District Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within thirty days of such order.

Appeal  
against order  
of District  
Commission.

41. Any person aggrieved by an order made by the District Commission may prefer an appeal against such order to the State Commission on the grounds of facts or law within a period of forty-five days from the date of the order, in such form and manner, as may be prescribed:

Provided that the State Commission may entertain an appeal after the expiry of the said period of forty-five days, if it is satisfied that there was sufficient cause for not filing it within that period:

Provided further that no appeal by a person, who is required to pay any amount in terms of an order of the District Commission, shall be entertained by the State Commission unless the appellant has deposited fifty per cent. of that amount in the manner as may be prescribed:

Provided also that no appeal shall lie from any order passed under sub-section (1) of section 81 by the District Commission pursuant to a settlement by mediation under section 80.

Establishment  
of State  
Consumer  
Disputes  
Redressal  
Commission.

42. (1) The State Government shall, by notification, establish a State Consumer Disputes Redressal Commission, to be known as the State Commission, in the State.

(2) The State Commission shall ordinarily function at the State capital and perform its functions at such other places as the State Government may in consultation with the State Commission notify in the Official Gazette:

Provided that the State Government may, by notification, establish regional benches of the State Commission, at such places, as it deems fit.

(3) Each State Commission shall consist of—

(a) a President; and

(b) not less than four or not more than such number of members as may be prescribed in consultation with the Central Government.

43. The Central Government may, by notification, make rules to provide for the qualification for appointment, method of recruitment, procedure of appointment, term of office, resignation and removal of the President and members of the State Commission.

Qualifications,  
etc., of  
President and  
members of  
State  
Commission.

44. The State Government may, by notification, make rules to provide for salaries and allowances and other terms and conditions of service of the President and members of the State Commission.

Salaries,  
allowances and  
other terms  
and conditions  
of service of  
President and  
members of  
State  
Commission.

45. Any person appointed as President or, as the case may be, a member of the State Commission immediately before the commencement of this Act shall hold office as such, as President or member, as the case may be, till the completion of his term.

Transitional  
provision.

46. (1) The State Government shall determine the nature and categories of the officers and other employees required to assist the State Commission in the discharge of its functions and provide the Commission with such officers and other employees as it may think fit.

Officers and  
employees of  
State  
Commission.

(2) The officers and other employees of the State Commission shall discharge their functions under the general superintendence of the President.

(3) The salaries and allowances payable to and the other terms and conditions of service of, the officers and other employees of the State Commission shall be such as may be prescribed.

47. (1) Subject to the other provisions of this Act, the State Commission shall have jurisdiction—

Jurisdiction of  
State  
Commission.

(a) to entertain—

(i) complaints where the value of the goods or services paid as consideration, exceeds rupees one crore, but does not exceed rupees ten crore:

Provided that where the Central Government deems it necessary so to do, it may prescribe such other value, as it deems fit;

(ii) complaints against unfair contracts, where the value of goods or services paid as consideration does not exceed ten crore rupees;

(iii) appeals against the orders of any District Commission within the State; and

(b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Commission within the State, where it appears to the State Commission that such District Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested or has acted in exercise of its jurisdiction illegally or with material irregularity.

(2) The jurisdiction, powers and authority of the State Commission may be exercised by Benches thereof, and a Bench may be constituted by the President with one or more members as the President may deem fit:

Provided that the senior-most member shall preside over the Bench.

(3) Where the members of a Bench differ in opinion on any point, the points shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ, and make a reference to the President who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other members and such point or points shall



be decided according to the opinion of the majority of the members who have heard the case, including those who first heard it:

Provided that the President or the other members, as the case may be, shall give opinion on the point or points so referred within a period of one month from the date of such reference.

(4) A complaint shall be instituted in a State Commission within the limits of whose jurisdiction,—

(a) the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, ordinarily resides or carries on business or has a branch office or personally works for gain; or

(b) any of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides, or carries on business or has a branch office or personally works for gain, provided in such case, the permission of the State Commission is given; or

(c) the cause of action, wholly or in part, arises; or

(d) the complainant resides or personally works for gain.

Transfer of cases.

48. On the application of the complainant or of its own motion, the State Commission may, at any stage of the proceeding, transfer any complaint pending before a District Commission to another District Commission within the State if the interest of justice so requires.

Procedure applicable to State Commission.

49. (1) The provisions relating to complaints under sections 35, 36, 37, 38 and 39 shall, with such modifications as may be necessary, be applicable to the disposal of complaints by the State Commission.

(2) Without prejudice to the provisions of sub-section (1), the State Commission may also declare any terms of contract, which is unfair to any consumer, to be null and void.

Review by State Commission in certain cases.

50. The State Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within thirty days of such order.

Appeal to National Commission.

51. (1) Any person aggrieved by an order made by the State Commission in exercise of its powers conferred by sub-clause (i) or (ii) of clause (a) of sub-section (1) of section 47 may prefer an appeal against such order to the National Commission within a period of thirty days from the date of the order in such form and manner as may be prescribed:

Provided that the National Commission shall not entertain the appeal after the expiry of the said period of thirty days unless it is satisfied that there was sufficient cause for not filing it within that period:

Provided further that no appeal by a person, who is required to pay any amount in terms of an order of the State Commission, shall be entertained by the National Commission unless the appellant has deposited fifty per cent. of that amount in the manner as may be prescribed.

(2) Save as otherwise expressly provided under this Act or by any other law for the time being in force, an appeal shall lie to the National Commission from any order passed in appeal by any State Commission, if the National Commission is satisfied that the case involves a substantial question of law.

(3) In an appeal involving a question of law, the memorandum of appeal shall precisely state the substantial question of law involved in the appeal.

(4) Where the National Commission is satisfied that a substantial question of law is involved in any case, it shall formulate that question and hear the appeal on that question:

Provided that nothing in this sub-section shall be deemed to take away or abridge the power of the National Commission to hear, for reasons to be recorded in writing, the appeal on any other substantial question of law, if it is satisfied that the case involves such question of law.

(5) An appeal may lie to the National Commission under this section from an order passed *ex parte* by the State Commission.

52. An appeal filed before the State Commission or the National Commission, as the case may be, shall be heard as expeditiously as possible and every endeavour shall be made to dispose of the appeal within a period of ninety days from the date of its admission:

Hearing of appeal.

Provided that no adjournment shall ordinarily be granted by the State Commission or the National Commission, as the case may be, unless sufficient cause is shown and the reasons for grant of adjournment have been recorded in writing by such Commission:

Provided further that the State Commission or the National Commission, as the case may be, shall make such orders as to the costs occasioned by the adjournment, as may be specified by regulations:

Provided also that in the event of an appeal being disposed of after the period so specified, the State Commission or the National Commission, as the case may be, shall record in writing the reasons for the same at the time of disposing of the said appeal.

53. (1) The Central Government shall, by notification, establish a National Consumer Disputes Redressal Commission, to be known as the National Commission.

Establishment of National Consumer Disputes Redressal Commission.

(2) The National Commission shall ordinarily function at the National Capital Region and perform its functions at such other places as the Central Government may in consultation with the National Commission notify in the Official Gazette:

Provided that the Central Government may, by notification, establish regional Benches of the National Commission, at such places, as it deems fit.

54. The National Commission shall consist of—

Composition of National Commission.

(a) a President; and

(b) not less than four and not more than such number of members as may be prescribed.

55. (1) The Central Government may, by notification, make rules to provide for qualifications, appointment, term of office, salaries and allowances, resignation, removal and other terms and conditions of service of the President and members of the National Commission:

Qualifications, etc., of President and members of National Commission.

Provided that the President and members of the National Commission shall hold office for such term as specified in the rules made by the Central Government but not exceeding five years from the date on which he enters upon his office and shall be eligible for re-appointment:

Provided further that no President or members shall hold office as such after he has attained such age as specified in the rules made by the Central Government which shall not exceed,—

(a) in the case of the President, the age of seventy years;

(b) in the case of any other member, the age of sixty-seven years.

(2) Neither the salary and allowances nor the other terms and conditions of service of President and members of the National Commission shall be varied to his disadvantage after his appointment.



Transitional provision.

56. The President and every other member appointed immediately before the commencement of section 177 of the Finance Act, 2017 shall continue to be governed by the provisions of the Consumer Protection Act, 1986 and the rules made thereunder as if this Act had not come into force.

7 of 2017.  
68 of 1986.

Other officers and employees of National Commission.

57. (1) The Central Government shall provide, in consultation with the President of the National Commission, such number of officers and other employees to assist the National Commission in the discharge of its functions as it may think fit.

(2) The officers and other employees of the National Commission shall discharge their functions under the general superintendence of the President of the National Commission.

(3) The salaries and allowances payable to, and the other terms and conditions of service of, the officers and other employees of the National Commission shall be such as may be prescribed.

Jurisdiction of National Commission.

58. (1) Subject to the other provisions of this Act, the National Commission shall have jurisdiction—

(a) to entertain—

(i) complaints where the value of the goods or services paid as consideration exceeds rupees ten crore:

Provided that where the Central Government deems it necessary so to do, it may prescribe such other value, as it deems fit;

(ii) complaints against unfair contracts, where the value of goods or services paid as consideration exceeds ten crore rupees;

(iii) appeals against the orders of any State Commission;

(iv) appeals against the orders of the Central Authority; and

(b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such State Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested, or has acted in the exercise of its jurisdiction illegally or with material irregularity.

(2) The jurisdiction, powers and authority of the National Commission may be exercised by Benches thereof and a Bench may be constituted by the President with one or more members as he may deem fit:

Provided that the senior-most member of the Bench shall preside over the Bench.

(3) Where the members of a Bench differ in opinion on any point, the points shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ, and make a reference to the President who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other members and such point or points shall be decided according to the opinion of the majority of the members who have heard the case, including those who first heard it:

Provided that the President or the other member, as the case may be, shall give opinion on the point or points so referred within a period of two months from the date of such reference.

Procedure applicable to National Commission.

59. (1) The provisions relating to complaints under sections 35, 36, 37, 38 and 39 shall, with such modifications as may be considered necessary, be applicable to the disposal of complaints by the National Commission.

(2) Without prejudice to sub-section (1), the National Commission may also declare any terms of contract, which is unfair to any consumer to be null and void.

60. The National Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within thirty days of such order.

Review by National Commission in certain cases.

61. Where an order is passed by the National Commission *ex parte*, the aggrieved party may make an application to the Commission for setting aside such order.

Power to set aside *ex parte* orders.

62. On the application of the complainant or of its own motion, the National Commission may, at any stage of the proceeding, in the interest of justice, transfer any complaint pending before the District Commission of one State to a District Commission of another State or before one State Commission to another State Commission.

Transfer of cases.

63. When the office of President of the National Commission is vacant or a person occupying such office is, by reason of absence or otherwise, unable to perform the duties of his office, these shall be performed by the senior-most member of the National Commission:

Vacancy in office of President of National Commission.

Provided that where a retired Judge of a High Court or a person who has been a Judicial Member is a member of the National Commission, such member or where the number of such members is more than one, the senior-most person amongst such members, shall preside over the National Commission in the absence of President of that Commission.

64. No act or proceeding of the District Commission, the State Commission or the National Commission shall be invalid by reason only of the existence of any vacancy amongst its members or any defect in the constitution thereof.

Vacancies or defects in appointment not to invalidate orders.

65. (1) All notices, required by this Act to be served, shall be served by delivering or transmitting a copy thereof by registered post acknowledgment due addressed to opposite party against whom complaint is made or to the complainant by speed post or by such courier service, approved by the District Commission, the State Commission or the National Commission, as the case may be, or by any other mode of transmission of documents including electronic means.

Service of notice, etc.

(2) Without prejudice to the provisions contained in sub-section (1), the notice required by this Act may be served on an electronic service provider at the address provided by it on the electronic platform from where it provides its services as such and for this purpose, the electronic service provider shall designate a nodal officer to accept and process such notices.

(3) When an acknowledgment or any other receipt purporting to be signed by the opposite party or his agent or, as the case may be, by the complainant is received by the District Commission, the State Commission or the National Commission, as the case may be, or postal article containing the notice is received back by such District Commission, State Commission or the National Commission, with an endorsement purporting to have been made by a postal employee or by any person authorised by the courier service to the effect that the opposite party or his agent or complainant had refused to take delivery of the postal article containing the notice or had refused to accept the notice by any other means specified in sub-section (1) when tendered or transmitted to him, the District Commission or the State Commission or the National Commission, as the case may be, shall declare that the notice has been duly served on the opposite party or to the complainant, as the case may be:

Provided that where the notice was properly addressed, pre-paid and duly sent by registered post acknowledgment due, a declaration referred to in this sub-section shall be made notwithstanding the fact that the acknowledgment has been lost or misplaced, or for any other reason, has not been received by the District Commission, the State Commission or the National Commission, as the case may be, within thirty days from the date of issue of notice.

(4) All notices required to be served on an opposite party or to complainant, as the case may be, shall be deemed to be sufficiently served, if addressed in the case of the opposite party, to the place where business or profession is carried on, and in case of the complainant, the place where such person actually and voluntarily resides.

Experts to assist National Commission or State Commission.

66. Where the National Commission or the State Commission, as the case may be, on an application by a complainant or otherwise, is of the opinion that it involves the larger interest of consumers, it may direct any individual or organisation or expert to assist the National Commission or the State Commission, as the case may be.

Appeal against order of National Commission.

67. Any person, aggrieved by an order made by the National Commission in exercise of its powers conferred by sub-clause (i) or (ii) of clause (a) of sub-section (1) of section 58, may prefer an appeal against such order to the Supreme Court within a period of thirty days from the date of the order:

Provided that the Supreme Court may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period:

Provided further that no appeal by a person who is required to pay any amount in terms of an order of the National Commission shall be entertained by the Supreme Court unless that person has deposited fifty per cent. of that amount in the manner as may be prescribed.

Finality of orders.

68. Every order of a District Commission or the State Commission or the National Commission, as the case may be, shall, if no appeal has been preferred against such order under the provisions of this Act, be final.

Limitation period.

69. (1) The District Commission, the State Commission or the National Commission shall not admit a complaint unless it is filed within two years from the date on which the cause of action has arisen.

(2) Notwithstanding anything contained in sub-section (1), a complaint may be entertained after the period specified in sub-section (1), if the complainant satisfies the District Commission, the State Commission or the National Commission, as the case may be, that he had sufficient cause for not filing the complaint within such period:

Provided that no such complaint shall be entertained unless the District Commission or the State Commission or the National Commission, as the case may be, records its reasons for condoning such delay.

Administrative control.

70. (1) The National Commission shall have the authority to lay down such adequate standards in consultation with the Central Government from time to time, for better protection of the interests of consumers and for that purpose, shall have administrative control over all the State Commissions in the following matters, namely:—

(a) monitoring performance of the State Commissions in terms of their disposal by calling for periodical returns regarding the institution, disposal and pendency of cases;

(b) investigating into any allegations against the President and members of a State Commission and submitting inquiry report to the State Government concerned along with copy endorsed to the Central Government for necessary action;

(c) issuance of instructions regarding adoption of uniform procedure in the hearing of matters, prior service of copies of documents produced by one party to the opposite parties, furnishing of english translation of judgments written in any language, speedy grant of copies of documents;

(d) overseeing the functioning of the State Commission or the District Commission either by way of inspection or by any other means, as the National Commission may like to order from time to time, to ensure that the objects and purposes of the Act are best served and the standards set by the National Commission are implemented without interfering with their quasi-judicial freedom.

(2) There shall be a monitoring cell to be constituted by the President of the National Commission to oversee the functioning of the State Commissions from the administrative point of view.

(3) The State Commission shall have administrative control over all the District Commissions within its jurisdiction in all matters referred to in sub-section (1).

(4) The National Commission and the State Commissions shall furnish to the Central Government periodically or as and when required, any information including the pendency of cases in such form and manner as may be prescribed.

(5) The State Commission shall furnish, periodically or as and when required to the State Government any information including pendency of cases in such form and manner as may be prescribed.

5 of 1908.

71. Every order made by a District Commission, State Commission or the National Commission shall be enforced by it in the same manner as if it were a decree made by a Court in a suit before it and the provisions of Order XXI of the First Schedule to the Code of Civil Procedure, 1908 shall, as far as may be, applicable, subject to the modification that every reference therein to the decree shall be construed as reference to the order made under this Act.

Enforcement of orders of District Commission, State Commission and National Commission.

72. (1) Whoever fails to comply with any order made by the District Commission or the State Commission or the National Commission, as the case may be, shall be punishable with imprisonment for a term which shall not be less than one month, but which may extend to three years, or with fine, which shall not be less than twenty-five thousand rupees, but which may extend to one lakh rupees, or with both.

Penalty for non-compliance of order.

2 of 1974.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the District Commission, the State Commission or the National Commission, as the case may be, shall have the power of a Judicial Magistrate of first class for the trial of offences under sub-section (1), and on conferment of such powers, the District Commission or the State Commission or the National Commission, as the case may be, shall be deemed to be a Judicial Magistrate of first class for the purposes of the Code of Criminal Procedure, 1973.

(3) Save as otherwise provided, the offences under sub-section (1) shall be tried summarily by the District Commission or the State Commission or the National Commission, as the case may be.

2 of 1974.

73. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, where an order is passed under sub-section (1) of section 72, an appeal shall lie, both on facts and on law from—

Appeal against order passed under section 72.

(a) the order made by the District Commission to the State Commission;

(b) the order made by the State Commission to the National Commission; and

(c) the order made by the National Commission to the Supreme Court.

(2) Except as provided in sub-section (1), no appeal shall lie before any court, from any order of a District Commission or a State Commission or the National Commission, as the case may be.

(3) Every appeal under this section shall be preferred within a period of thirty days from the date of order of a District Commission or a State Commission or the National Commission, as the case may be:



Provided that the State Commission or the National Commission or the Supreme Court, as the case may be, may entertain an appeal after the expiry of the said period of thirty days, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the said period of thirty days.

## CHAPTER V

### MEDIATION

Establishment  
of consumer  
mediation  
cell.

74. (1) The State Government shall establish, by notification, a consumer mediation cell to be attached to each of the District Commissions and the State Commissions of that State.

(2) The Central Government shall establish, by notification, a consumer mediation cell to be attached to the National Commission and each of the regional Benches.

(3) A consumer mediation cell shall consist of such persons as may be prescribed.

(4) Every consumer mediation cell shall maintain—

- (a) a list of empanelled mediators;
- (b) a list of cases handled by the cell;
- (c) record of proceeding; and
- (d) any other information as may be specified by regulations.

(5) Every consumer mediation cell shall submit a quarterly report to the District Commission, State Commission or the National Commission to which it is attached, in the manner specified by regulations.

Empanelment  
of mediators.

75. (1) For the purpose of mediation, the National Commission or the State Commission or the District Commission, as the case may be, shall prepare a panel of the mediators to be maintained by the consumer mediation cell attached to it, on the recommendation of a selection committee consisting of the President and a member of that Commission.

(2) The qualifications and experience required for empanelment as mediator, the procedure for empanelment, the manner of training empanelled mediators, the fee payable to empanelled mediator, the terms and conditions for empanelment, the code of conduct for empanelled mediators, the grounds on which, and the manner in which, empanelled mediators shall be removed or empanelment shall be cancelled and other matters relating thereto, shall be such as may be specified by regulations.

(3) The panel of mediators prepared under sub-section (1) shall be valid for a period of five years, and the empanelled mediators shall be eligible to be considered for re-empanelment for another term, subject to such conditions as may be specified by regulations.

Nomination of  
mediators  
from panel.

76. The District Commission, the State Commission or the National Commission shall, while nominating any person from the panel of mediators referred to in section 75, consider his suitability for resolving the consumer dispute involved.

Duty of  
mediator to  
disclose  
certain facts.

77. It shall be the duty of the mediator to disclose—

- (a) any personal, professional or financial interest in the outcome of the consumer dispute;
- (b) the circumstances which may give rise to a justifiable doubt as to his independence or impartiality; and
- (c) such other facts as may be specified by regulations.

Replacement  
of mediator  
in certain  
cases.

78. Where the District Commission or the State Commission or the National Commission, as the case may be, is satisfied, on the information furnished by the mediator or on the information received from any other person including parties to the complaint and after hearing the mediator, it shall replace such mediator by another mediator.

79. (1) The mediation shall be held in the consumer mediation cell attached to the District Commission, the State Commission or the National Commission, as the case may be.

Procedure for mediation.

(2) Where a consumer dispute is referred for mediation by the District Commission or the State Commission or the National Commission, as the case may be, the mediator nominated by such Commission shall have regard to the rights and obligations of the parties, the usages of trade, if any, the circumstances giving rise to the consumer dispute and such other relevant factors, as he may deem necessary and shall be guided by the principles of natural justice while carrying out mediation.

(3) The mediator so nominated shall conduct mediation within such time and in such manner as may be specified by regulations.

80. (1) Pursuant to mediation, if an agreement is reached between the parties with respect to all of the issues involved in the consumer dispute or with respect to only some of the issues, the terms of such agreement shall be reduced to writing accordingly, and signed by the parties to such dispute or their authorised representatives.

Settlement through mediation.

(2) The mediator shall prepare a settlement report of the settlement and forward the signed agreement along with such report to the concerned Commission.

(3) Where no agreement is reached between the parties within the specified time or the mediator is of the opinion that settlement is not possible, he shall prepare his report accordingly and submit the same to the concerned Commission.

81. (1) The District Commission or the State Commission or the National Commission, as the case may be, shall, within seven days of the receipt of the settlement report, pass suitable order recording such settlement of consumer dispute and dispose of the matter accordingly.

Recording settlement and passing of order.

(2) Where the consumer dispute is settled only in part, the District Commission or the State Commission or the National Commission, as the case may be, shall record settlement of the issues which have been so settled and continue to hear other issues involved in such consumer dispute.

(3) Where the consumer dispute could not be settled by mediation, the District Commission or the State Commission or the National Commission, as the case may be, shall continue to hear all the issues involved in such consumer dispute.

## CHAPTER VI

### PRODUCT LIABILITY

82. This Chapter shall apply to every claim for compensation under a product liability action by a complainant for any harm caused by a defective product manufactured by a product manufacturer or serviced by a product service provider or sold by a product seller.

Application of Chapter.

83. A product liability action may be brought by a complainant against a product manufacturer or a product service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product.

Product liability action.

84. (1) A product manufacturer shall be liable in a product liability action, if—

Liability of product manufacturer.

(a) the product contains a manufacturing defect; or

(b) the product is defective in design; or

(c) there is a deviation from manufacturing specifications; or

(d) the product does not conform to the express warranty; or

(e) the product fails to contain adequate instructions of correct usage to prevent any harm or any warning regarding improper or incorrect usage.

(2) A product manufacturer shall be liable in a product liability action even if he proves that he was not negligent or fraudulent in making the express warranty of a product.

Liability of  
product  
service  
provider.

**85.** A product service provider shall be liable in a product liability action, if—

(a) the service provided by him was faulty or imperfect or deficient or inadequate in quality, nature or manner of performance which is required to be provided by or under any law for the time being in force, or pursuant to any contract or otherwise; or

(b) there was an act of omission or commission or negligence or conscious withholding any information which caused harm; or

(c) the service provider did not issue adequate instructions or warnings to prevent any harm; or

(d) the service did not conform to express warranty or the terms and conditions of the contract.

Liability of  
product sellers.

**86.** A product seller who is not a product manufacturer shall be liable in a product liability action, if—

(a) he has exercised substantial control over the designing, testing, manufacturing, packaging or labelling of a product that caused harm; or

(b) he has altered or modified the product and such alteration or modification was the substantial factor in causing the harm; or

(c) he has made an express warranty of a product independent of any express warranty made by a manufacturer and such product failed to conform to the express warranty made by the product seller which caused the harm; or

(d) the product has been sold by him and the identity of product manufacturer of such product is not known, or if known, the service of notice or process or warrant cannot be effected on him or he is not subject to the law which is in force in India or the order, if any, passed or to be passed cannot be enforced against him; or

(e) he failed to exercise reasonable care in assembling, inspecting or maintaining such product or he did not pass on the warnings or instructions of the product manufacturer regarding the dangers involved or proper usage of the product while selling such product and such failure was the proximate cause of the harm.

Exceptions to  
product  
liability  
action.

**87:** (1) A product liability action cannot be brought against the product seller if, at the time of harm, the product was misused, altered, or modified.

(2) In any product liability action based on the failure to provide adequate warnings or instructions, the product manufacturer shall not be liable, if—

(a) the product was purchased by an employer for use at the workplace and the product manufacturer had provided warnings or instructions to such employer;

(b) the product was sold as a component or material to be used in another product and necessary warnings or instructions were given by the product manufacturer to the purchaser of such component or material, but the harm was caused to the complainant by use of the end product in which such component or material was used;

(c) the product was one which was legally meant to be used or dispensed only by or under the supervision of an expert or a class of experts and the product manufacturer had employed reasonable means to give the warnings or instructions for usage of such product to such expert or class of experts; or

(d) the complainant, while using such product, was under the influence of alcohol or any prescription drug which had not been prescribed by a medical practitioner.



(3) A product manufacturer shall not be liable for failure to instruct or warn about a danger which is obvious or commonly known to the user or consumer of such product or which, such user or consumer, ought to have known, taking into account the characteristics of such product.

## CHAPTER VII

### OFFENCES AND PENALTIES

88. Whoever, fails to comply with any direction of the Central Authority under sections 20 and 21, shall be punished with imprisonment for a term which may extend to six months or with fine which may extend to twenty lakh rupees, or with both.

Penalty for non-compliance of direction of Central Authority.

89. Any manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of consumers shall be punished with imprisonment for a term which may extend to two years and with fine which may extend to ten lakh rupees; and for every subsequent offence, be punished with imprisonment for a term which may extend to five years and with fine which may extend to fifty lakh rupees.

Punishment for false or misleading advertisement.

90. (1) Whoever, by himself or by any other person on his behalf, manufactures for sale or stores or sells or distributes or imports any product containing an adulterant shall be punished, if such act—

Punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterant.

(a) does not result in any injury to the consumer, with imprisonment for a term which may extend to six months and with fine which may extend to one lakh rupees;

(b) causing injury not amounting to grievous hurt to the consumer, with imprisonment for a term which may extend to one year and with fine which may extend to three lakh rupees;

(c) causing injury resulting in grievous hurt to the consumer, with imprisonment for a term which may extend to seven years and with fine which may extend to five lakh rupees; and

(d) results in the death of a consumer, with imprisonment for a term which shall not be less than seven years, but which may extend to imprisonment for life and with fine which shall not be less than ten lakh rupees.

(2) The offences under clauses (c) and (d) of sub-section (1) shall be cognizable and non-bailable.

(3) Notwithstanding the punishment under sub-section (1), the court may, in case of first conviction, suspend any licence issued to the person referred to in that sub-section, under any law for the time being in force, for a period up to two years, and in case of second or subsequent conviction, cancel the licence.

*Explanation.*—For the purposes of this section,—

(a) "adulterant" means any material including extraneous matter which is employed or used for making a product unsafe;

(b) "grievous hurt" shall have the same meaning as assigned to it in section 320 of the Indian Penal Code.

45 of 1860.

91. (1) Whoever, by himself or by any other person on his behalf, manufactures for sale or stores or sells or distributes or imports any spurious goods shall be punished, if such act—

Punishment for manufacturing for sale or for storing or selling or distributing or importing spurious goods.

(a) causing injury not amounting to grievous hurt to the consumer, with imprisonment for a term which may extend to one year and with fine which may extend to three lakh rupees;

(b) causing injury resulting in grievous hurt to the consumer, with imprisonment for a term which may extend to seven years and with fine which may extend to five lakh rupees;

(c) results in the death of a consumer, with imprisonment for a term which shall not be less than seven years, but may extend to imprisonment for life and with fine which shall not be less than ten lakh rupees.

(2) The offences under clauses (b) and (c) of sub-section (1) shall be cognizable and non-bailable.

(3) Notwithstanding the punishment under sub-section (1), the court may, in case of first conviction, suspend any licence issued to the person referred to in that sub-section, under any law for the time being in force, for a period up to two years, and in case of second or subsequent conviction, cancel the licence.

Cognizance of offence by court.

92. No cognizance shall be taken by a competent court of any offence under sections 88 and 89 except on a complaint filed by the Central Authority or any officer authorised by it in this behalf.

Vexatious search.

93. The Director General or any other officer, exercising powers under section 22, who knows that there are no reasonable grounds for so doing, and yet—

(a) searches, or causes to be searched any premises; or

(b) seizes any record, register or other document or article,

shall, for every such offence, be punished with imprisonment for a term which may extend to one year, or with fine which may extend to ten thousand rupees or with both.

## CHAPTER VIII

### MISCELLANEOUS

Measures to prevent unfair trade practices in e-commerce, direct selling, etc.

94. For the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the manner as may be prescribed.

Presidents, members, Chief Commissioner, Commissioner and certain officers to be public servants.

95. The Presidents and members of the District Commission, the State Commission and the National Commission, and officers and other employees thereof, the Chief Commissioner and the Commissioner of the Central Authority, the Director General, the Additional Director General, the Director, the Joint Director, the Deputy Director and the Assistant Director and all other officers and employees of the Central Authority and other persons performing any duty under this Act, while acting or purporting to act in pursuance of any of the provisions of this Act, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Compounding of offences.

96. (1) Any offence punishable under sections 88 and 89, may, either before or after the institution of the prosecution, be compounded, on payment of such amount as may be prescribed:

Provided that no compounding of such offence shall be made without the leave of the court before which a complaint has been filed under section 92:

Provided further that such sum shall not, in any case, exceed the maximum amount of the fine, which may be imposed under this Act for the offence so compounded.

(2) The Central Authority or any officer as may be specially authorised by him in this behalf, may compound offences under sub-section (1).

(3) Nothing in sub-section (1) shall apply to person who commits the same or similar offence, within a period of three years from the date on which the first offence, committed by him, was compounded.

*Explanation.*—For the purposes of this sub-section, any second or subsequent offence committed after the expiry of a period of three years from the date on which the offence was previously compounded, shall be deemed to be a first offence.

(4) Where an offence has been compounded under sub-section (1), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded.

(5) The acceptance of the sum of money for compounding an offence in accordance with sub-section (1) by the Central Authority or an officer of the Central Authority empowered in this behalf shall be deemed to amount to an acquittal within the meaning of the Code of Criminal Procedure, 1973.

2 of 1974.

97. The penalty collected under section 21 and the amount collected under section 96 shall be credited to such fund as may be prescribed.

Manner of crediting penalty.

98. No suit, prosecution or other legal proceeding shall lie against the Presidents and members of the District Commission, the State Commission and the National Commission, the Chief Commissioner, the Commissioner, any officer or employee and other person performing any duty under this Act, for any act which is in good faith done or intended to be done in pursuance of this Act or under any rule or order made thereunder.

Protection of action taken in good faith.

99. (1) Without prejudice to the foregoing provisions of this Act, the Central Authority, shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy, as the Central Government may give in writing to it from time to time:

Power to give directions by Central Government.

Provided that the Central Authority shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government whether a question is one of policy or not shall be final.

100. The provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

Act not in derogation of any other law.

101. (1) The Central Government may, by notification, make rules for carrying out any of the provisions contained in this Act.

Power of Central Government to make rules.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for,—

(a) the other class or classes of persons including public utility entities under clause (19) of section 2;

(b) the contest, lottery, game of chance or skill which are to be exempted under item (b) of sub-clause (iii) of clause (47) of section 2;

(c) the manner of issuing bill or cash memo or receipt for goods sold or services rendered under sub-clause (vii) of clause (47) of section 2;

(d) the number of other official or non-official members of the Central Council under clause (b) of sub-section (2) of section 3;

(e) the time and place of meeting of Central Council and the procedure for the transaction of its business under sub-section (2) of section 4;

(f) the number of Commissioners in the Central Authority under sub-section (2) of section 10;

(g) the qualifications for appointment, method of recruitment, procedure of appointment, term of office, salaries and allowances, resignation, removal and other terms and conditions of service of the Chief Commissioner and other Commissioners of the Central Authority under section 11;

(h) the salaries and allowances payable to, and the other terms and conditions of service of, the officers and other employees of the Central Authority under sub-section (2) of section 13;

(i) the qualifications for appointment of Director General, Additional Director General, Director, Joint Director, Deputy Director and Assistant Director and the manner of appointment under sub-section (2) of section 15;

(j) the manner of taking copies or extracts of document, record or article seized or produced before returning to the person under sub-section (3) of section 22;

(k) the officer and the manner of disposing of articles which are subject to speedy or natural decay under sub-section (4) of section 22;

(l) the form and manner for preparing annual statement of accounts by the Central Authority in consultation with the Comptroller and Auditor-General of India under sub-section (1) of section 26;

(m) the form in which, and the time within which, an annual report, other reports and returns may be prepared by the Central Authority under sub-section (1) of section 27;

(n) the qualifications for appointment, method of recruitment, procedure for appointment, term of office, resignation and removal of President and members of the District Commission under section 29;

(o) the other value of goods and services in respect of which the District Commission shall have jurisdiction to entertain complaints under proviso to sub-section (1) of section 34;

(p) the manner of electronically filing complaint under the proviso to sub-section (1) of section 35;

(q) the fee, electronic form and the manner of payment of fee for filing complaint under sub-section (2) of section 35;

(r) the cases which may not be referred for settlement by mediation under sub-section (1) of section 37;

(s) the manner of authentication of goods sampled in case of the National Commission under clause (c) of sub-section (2) of section 38;

(t) any other matter which may be prescribed under clause (f) of sub-section (9) of section 38;

(u) the fund where the amount obtained may be credited and the manner of utilisation of such amount under sub-section (2) of section 39;

(v) the form and the manner in which appeal may be preferred to the State Commission under section 41;

(w) the qualifications for appointment, method of recruitment, procedure for appointment, term of office, resignation and removal of the President and members of the State Commission under section 43;

(x) the other value of goods and services in respect of which the State Commission shall have jurisdiction under the proviso to sub-clause (i) of clause (a) of sub-section (1) of section 47;

(y) the form and manner of filing appeal to the National Commission, and the manner of depositing fifty per cent. of the amount before filing appeal, under sub-section (1) of section 51;

(z) the number of members of the National Commission under clause (b) of section 54;

(za) the qualifications, appointment, term of office, salaries and allowances, resignation, removal and other terms and conditions of service of the President and members of the National Commission under sub-section (1) of section 55;

(zb) the salaries and allowances payable to, and other terms and conditions of service of, the officers and other employees of the National Commission under sub-section (3) of section 57;

(zc) the other value of goods and services in respect of which the National Commission shall have jurisdiction under the proviso to sub-clause (i) of clause (a) of sub-section (1) of section 58;

(zd) the manner of depositing fifty per cent. of the amount under the second proviso to section 67;

(ze) the form in which the National Commission and the State Commission shall furnish information to the Central Government under sub-section (4) of section 70;

(zf) the persons in the consumer mediation cell under sub-section (3) of section 74;

(zg) the measures to be taken by the Central Government to prevent unfair trade practices in e-commerce, direct selling under section 94;

(zh) the amount for compounding offences under sub-section (1) of section 96;

(zi) the fund to which the penalty and amount collected shall be credited under section 97; and

(zj) any other matter which is to be, or may be, prescribed, or in respect of which provisions are to be, or may be, made by rules.

**102. (1)** The State Governments may, by notification, make rules for carrying out the provisions of this Act:

Power of  
State  
Government  
to make rules.

Provided that the Central Government may, frame model rules in respect of all or any of the matters with respect to which the State Government may make rules under this section, and where any such model rules have been framed in respect of any such matter, they shall apply to the State until the rules in respect of that matter is made by the State Government and while making any such rules, so far as is practicable, they shall conform to such model rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the other class or classes of persons including public utility entities under clause (19) of section 2;

(b) the contest, lottery, game of chance or skill which are to be exempted under item (b) of sub-clause (iii) of clause (47) of section 2;

(c) the number of other official or non-official members of the State Council under clause (b) of sub-section (2) of section 6;

(d) the time and place of meeting of the State Council and the procedure for the transaction of its business under sub-section (4) of section 6;

(e) the number of other official and non-official members of District Council under clause (b) of sub-section (2) of section 8;

(f) the time and place of meeting of the District Council and procedure for the transaction of its business under sub-section (4) of section 8;



(g) the number of members of the District Commission under clause (b) of sub-section (2) of section 28;

(h) the salaries and allowances payable to, and other terms and conditions of service of, the President and members of the District Commission under section 30;

(i) the salaries and allowances payable to, and other terms and conditions of service of, the officers and other employees of the District Commission under sub-section (3) of section 33;

(j) the manner of authentication of goods sampled by the State Commission and the District Commission under clause (c) of sub-section (2) of section 38;

(k) the manner of depositing fifty per cent. of the amount before filing appeal under second proviso to section 41;

(l) the number of members of the State Commission under sub-section (3) of section 42;

(m) the salaries and allowances payable to, and other terms and conditions of service of, the President and members of the State Commission under section 44;

(n) the salaries and allowances payable to, and other terms and conditions of service of, the officers and other employees of the State Commission under sub-section (3) of section 46;

(o) the form in which the State Commission shall furnish information to the State Government under sub-section (5) of section 70;

(p) the persons in the consumer mediation cell under sub-section (3) of section 74;

(q) any other matter which is to be, or may be prescribed, or in respect of which provisions are to be, or may be, made by rules.

Power of  
National  
Commission  
to make  
regulations.

**103. (1)** The National Commission may, with the previous approval of the Central Government, by notification, make regulations not inconsistent with this Act to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may make provisions for—

(a) the costs for adjournment to be imposed by the District Commission under the second proviso to sub-section (7) of section 38;

(b) the costs for adjournment to be imposed by the State Commission or the National Commission, as the case may be, under the second proviso to section 52;

(c) the maintenance of any other information by the consumer mediation cell under sub-section (4) of section 74;

(d) the manner of submission of quarterly report by consumer mediation cell to the District Commission, the State Commission or the National Commission under sub-section (5) of section 74;

(e) the qualifications and experience required for empanelment as mediator, the procedure for empanelment, the manner of training empanelled mediators, the fee payable to empanelled mediator, the terms and conditions for empanelment, the code of conduct for empanelled mediators, the grounds on which, and the manner in which, empanelled mediators shall be removed or empanelment shall be cancelled and the other matters relating thereto under sub-section (2) of section 75;

(f) the conditions for re-empanelment of mediators for another term under sub-section (3) of section 75;

(g) the other facts to be disclosed by mediators under clause (c) of section 77;

(h) the time within which, and the manner in which, mediation may be conducted under sub-section (3) of section 79; and

(i) such other matter for which provision is to be, or may be, made by regulation.

**104. (1)** The Central Authority may, with the previous approval of the Central Government, by notification, make regulations not inconsistent with this Act, for the purpose of giving effect to the provisions of this Act.

Power of  
Central  
Authority to  
make  
regulations.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the procedure for engaging experts and professionals and the number of such experts and professionals under sub-section (3) of section 13;

(b) the procedure for transaction of business and the allocation of business of the Chief Commissioner and Commissioner under sub-section (1) of section 14;

(c) the form, manner and time within which, inquiries or investigation made by the Director-General shall be submitted to the Central Authority under sub-section (5) of section 15; and

(d) such other matter for which provision is to be, or may be, made by regulation.

**105. (1)** Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Rules and  
regulations to  
be laid before  
each House of  
Parliament.

(2) Every rule made by a State Government under this Act shall be laid as soon as may be after it is made, before the State Legislature.

**106.** If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Power to  
remove  
difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the commencement of this Act.

68 of 1986.

**107. (1)** The Consumer Protection Act, 1986 is hereby repealed.

Repeal and  
savings.

(2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the Act hereby repealed shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act.

(3) The mention of particular matters in sub-section (2) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal. 10 of 1897.

DR. G. NARAYANA RAJU,  
*Secretary to the Govt. of India.*

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
(DEPARTMENT OF CONSUMER AFFAIRS)**

**NOTIFICATION**

New Delhi, the 15 July, 2020

**G.S.R. 448(E).**— In exercise of the powers conferred by sub-section (1) and clauses (a), (p), (q), (s), (u), (v), (y), (z), (zd), (ze), and (zj) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019) and in supersession of the Consumer Protection Rules, 1987 in so far as they relate to matters covered under these rules, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement.**— (1) These rules may be called the Consumer Protection (Consumer Disputes Redressal Commissions) Rules, 2020.

(2) They shall come into force on the 20<sup>th</sup> day of July, 2020.

2. **Definitions.**—(1) In these rules, unless the context otherwise requires,—

- (a) 'Act' means the Consumer Protection Act 2019 (35 of 2019);
- (b) 'appellant' means a person who makes an appeal against the order of the National Commission, the State Commission or the District Commission, as the case may be;
- (c) 'authorised agent' means a person duly authorised by a party to present any complaint, appeal or reply on behalf of such party before the National Commission, the State Commission, or the District Commission, as the case may be;
- (d) 'Commission' means the District Commission, the State Commission, or the National Commission, as the case may be;
- (e) 'Consumer Welfare Fund' means the Consumer Welfare Fund established by a State Government or, as the case may be, by the Central Government under section 57 of the Central Goods and Services Tax Act, 2017 (12 of 2017) ;
- (f) 'memorandum' means any memorandum of appeal filed by the appellant;
- (g) 'nationalised bank' means a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) or a corresponding new bank specified in the First Schedule

to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980);

- (h) 'opposite party' means a person who answers a complaint under the Act;
- (i) 'President' means the President of the National Commission, the State Commission or the District Commission, as the case may be;
- (j) 'respondent' means the person who answers any memorandum of appeal;
- (k) "section" means a section of the Act;
- (l) 'State' includes a Union territory;

(2) The words and expressions used herein, but not defined and defined in the Act shall have the meaning assigned to them in the Act.

3. **Working days and office hours of National Commission.** — The working days and office hours of the National Commission shall be the same as that of the Central Government.

4. **Seal and emblem.** — The official seal and emblem of the National Commission shall be such as the Central Government may specify.

5. **Sitting of National Commission.** — The President of the National Commission shall convene sittings of the National Commission as and when it may be necessary, and such sittings shall be notified by the National Commission.

6. **Manner of authentication of goods by National Commission for analysis and testing.**—(1)The National Commission may direct the complainant to provide one or more than one sample of the goods in clean containers with stopper properly fixed on them for the purposes of testing or analysis.

(2) On receiving the samples of such goods, the National Commission shall seal it and fix labels on the containers carrying the following information, namely:-

- (a) the name and address of the appropriate laboratory to whom sample shall be sent for analysis and test;
- (b) the name and address of the National Commission;
- (c) the case number; and
- (d) the official seal of the National Commission.

(3) The sealed sample shall be sent to the recognised laboratory by the National Commission.

(4) The recognized laboratory shall, after receiving sealed sample and examining it, shall forward its report to the National Commission within forty-five days or within such extended time as may be granted by the National Commission, specifying the nature of the defect and date of submission of report.

7. **Fee for making complaints.** — (1) Every complaint filed under sub-section (1) of section 35 or under sub-clauses (i) and (ii) of clause (a) of sub-section (1) of section 47 or under sub-clauses (i) and (ii) of clause (a) of sub-section (1) of section 58 shall be accompanied by a fee, as specified in the table given below, in the form of crossed Demand Draft drawn on a nationalised bank or through a crossed Indian Postal Order in favour of the President of the District Commission or the Registrar of the State Commission or the Registrar of the National Commission, as the case may be, and payable at the respective place where the District Commission, State Commission or the

National Commission is situated, or through electronic mode as per arrangement made by the Commission concerned.

(2) The District Commission or the State Commission, as the case may be, shall credit the amount of fee received by it under sub-rule (1) to the Consumer Welfare Fund of the State and where such Consumer Welfare Fund is not established, into the appropriate account of the State Government, and the National Commission shall credit such amount of fee received by it to the Consumer Welfare Fund of the Central Government.

**Table**

Sl. No.	Value of goods or services paid as consideration	Amount of fee payable
(1)	(2)	(3)
	<b>District Commission</b>	
(1)	Upto rupees five lakh	Nil
(2)	Above rupees five lakh and upto rupees ten lakhs	Rs.200
(3)	Above rupees ten lakh and upto rupees twenty lakhs	Rs.400
(4)	Above rupees twenty lakh and upto rupees fifty lakh rupees	Rs.1000
(5)	Above rupees fifty lakh and upto rupees one crore	Rs.2000
	<b>State Commission</b>	
(6)	Above rupees one crore and upto rupees two crore	Rs.2500
(7)	Above rupees two crore and upto rupees four crore	Rs.3000
(8)	Above rupees four crore and upto rupees six crore	Rs.4000
(9)	Above rupees six crore and upto rupees eight crore	Rs.5000
(10)	Above rupees eight crore and upto rupees ten crore	Rs.6000
	<b>National Commission</b>	
(11)	Above rupees ten crore	Rs.7500

**8. Manner of filing complaints electronically.** —The electronic filing of complaints in National Commission, State Commission and District Commission shall be effective from such date and for such category of cases as may be notified by the President of the National Commission from time to time.

**9. Additional powers of National Commission, State Commission and District Commission:** —(1) The National Commission, the State Commission or the District Commission, as the case may be, shall have power to require any person, —

- (a) to produce before it such book, account, document or commodity which is in the custody or under the control of such person, if it is required for the purposes of any proceedings before it, and allow the same to be examined and kept by such officer of the Commission as it may specify in this behalf;
- (b) to furnish to the officer specified in clause(a), such information as may be required for the purposes of any proceedings before it.

(2) Where during any proceedings under this Act, the National Commission, the State Commission or the District Commission, as the case may be, has any ground to believe that any book, paper, commodity or document which may be required to be produced in such proceedings, are being or may be, destroyed, mutilated, altered, falsified or secreted, it may, by written order, authorise any officer to exercise the power of entry and search of any premises, and seizure of any book, paper, document or commodity as may be required for the purposes of such proceeding.

Provided that such seizure shall be communicated to the National Commission, the State Commission or the District Commission, as the case may be, as soon as it is made or within a period not exceeding seventy-two hours of making such seizure after specifying the reasons in writing for making such seizure.

(3) The National Commission, the State Commission or the District Commission, as the case may be, on examination of such seized documents or commodities may order the retention thereof or may return it to the party concerned.

**10. Credit of amount payable for loss or injury suffered by consumers who are not identifiable conveniently.** —(1)Where an order is passed under clause (k) of sub-section (1) of section 39 by the District



Commission, or the State Commission, or the National Commission, in the exercise of its powers vested under sub-section (1) of section 49 respectively or sub-section (1) of section 59, directing the opposite party to pay such amount as may be determined by it on account of loss or injury suffered by a large number of consumers, who are not identifiable conveniently, such sum shall be credited by the District Commission and the State Commission in the Consumer Welfare Fund established by the State Government, and by the National Commission in the Consumer Welfare Fund established by the Central Government.

(2) The amount credited to the Consumer Welfare Fund of the Central Government under sub-rule (1) shall be utilised in accordance with rule 97 of the Central Goods and Services Tax Rules, 2017 and the amount credited to the Consumer Welfare Fund of the State Government under sub-rule (1) shall be utilised in accordance with the rules framed under the State Goods and Service Tax Act, 2017.

**11. Procedure for filing and hearing of appeal before State Commission.-** (1) A Memorandum shall be presented by the appellant or his authorized agent to the State Commission in person or sent by a registered post with acknowledgment due addressed to the State Commission.

(2) Every memorandum filed under sub-rule (1) shall preferably be typed, or be in legible handwriting, and shall set forth concisely under distinct heads, the grounds of appeal without any argument or narrative and such grounds shall be numbered consecutively.

(3) Each memorandum shall be accompanied by the certified copy of the order of the District Commission appealed against and such of the documents, as may be required to support grounds of appeal mentioned in the memorandum.

(4) When the appeal is presented after the expiry of the period of limitation as specified in section 41, the memorandum shall be accompanied by an application supported by an affidavit setting forth the facts on which appellant relies upon to satisfy the State Commission that he has sufficient cause for not preferring the appeal within the period of limitation.

(5) The appellant shall submit four copies of the memorandum to the State Commission for official purposes.

(6) On the date of hearing or any other day to which hearing may be adjourned, the parties or their authorised agents shall appear before the State Commission, and where

(a) the appellant or his authorised agent fails to appear, State Commission may, in its discretion, either dismiss the appeal or decide it *ex-parte* on the merits of the case;

(b) the respondent or his authorised agent fails to appear, the State Commission shall proceed *ex-parte* and decide the appeal on the merits of the case.

(7) The appellant shall not, except by the leave of the State Commission, urge or be heard in support of any ground of appeal not set forth in the memorandum, but the State Commission in deciding the appeal, need not confine itself to the grounds of appeal set forth in the memorandum or taken by leave of the State Commission under this rule:

Provided that the State Commission shall not rest its decision on any other grounds unless the party who may be affected thereby, has been given, at least the opportunity of being heard by the State Commission.

(8) No adjournment shall ordinarily be granted at any stage by the State Commission, unless sufficient cause is shown and the reasons for grant of adjournment have been recorded in writing by the State Commission:

Provided that the State Commission shall not ordinarily grant more than one adjournment and shall ensure, as far as possible, that the appeal is decided within ninety days from the date of admission:

Provided further that in the event of an appeal being disposed of after the period specified in the first proviso, the State Commission shall record in writing the reasons for the same at the time of disposal of the said appeal.

(9) The order of the State Commission on appeal shall be signed and dated by the members of the State Commission constituting the Bench and shall be communicated to the parties concerned free of cost.

**12. Procedure in respect of complaints before National Commission.** —(1) A complaint shall be presented to the National Commission by the complainant in person or by his agent, or be sent by a registered post, addressed to that Commission, containing the following particulars, namely:-

(a) the name, description and the address of the complainant;

- (b) the name, description and address of the opposite party or parties, as the case may be, so far as they can be ascertained;
  - (c) the facts relating to the complaint and when and where it arose;
  - (d) the documents in support of the allegations contained in the complaint;
  - (e) the relief which the complainant claims.
- (2) Every complaint under sub-rule (1) shall be accompanied by a fee as specified in rule 7.
- (3) The National Commission shall, while disposing of any complaint before it, follow the procedure and conditions provided under sections 37 and 38, with such modifications as may be considered necessary by it.
- (4) On the date of hearing or any other date to which hearing may be adjourned, the parties or their authorised agents shall appear before the National Commission, and where-
  - (a) the appellant or his authorised agent fails to appear, the National Commission may, in its discretion, either dismiss the complaint for default or decide it on merits;
  - (b) the respondent or his authorised agent fails to appear, the National Commission may decide the complaint *ex-parte* on the merits of the case.
- (5) The National Commission may, on such terms as it deems fit and at any stage of the proceedings, adjourn the hearing of the complaint, but the complaint shall be decided as far as possible within a period of-
  - (a) three months from the date of notice received by the opposite party where such complaint does not require any analysis or testing of commodities; and
  - (b) five months if such complaint requires analysis or testing.
- (6) In the event of a complaint being disposed of after the period specified in sub-rule (5), the National Commission shall record in writing, the reasons for such delay.
- (7) If after conducting the proceedings, the National Commission is satisfied with the allegations contained in the complaint, it shall issue order to the opposite party or parties, as the case may be, directing him or them to take one or more of the actions mentioned in sub-section (1) of section 39.
- (8) The National Commission shall also have the power to direct that any order passed by it, where no appeal has been preferred under section 67 or where the order of the National Commission has been affirmed by the Supreme Court under that section, be published on its website or through any other media and no legal proceedings shall lie against the National Commission or any media for such publication.
- (9) The State Commission and the District Commission shall follow the procedure specified in this rule, with such modifications as may be necessary, in respect of the complaint before them.

**13. Appeals before National Commission.** – Where an appeal is filed under section 51, the amount to be deposited by the appellant as provided in the second proviso to the said section shall be remitted in the form of a crossed Demand Draft drawn on a nationalised bank in favour of the Registrar, National Commission, payable at New Delhi.

**14. Procedure for filing and hearing of appeal before National Commission-(1)** A Memorandum shall be presented by the appellant or his authorised agent to the National Commission in person or sent by registered post addressed to the National Commission.

- (2) Every memorandum filed under sub-rule (1) shall preferably be typed, or be in legible handwriting, and shall set forth concisely under distinct heads, the grounds of appeal without any argument or narrative and such grounds shall be numbered consecutively.
- (3) The memorandum shall be accompanied by a crossed Demand Draft as specified in rule 16, a certified copy of the order of the State Commission appealed against and such of the documents as may be required to support grounds of appeal mentioned in the memorandum.

- (4) When the appeal is presented after the expiry of the period of limitation as specified in section 51, the memorandum shall be accompanied by an application supported by an affidavit setting forth the facts on which the appellant relies upon to satisfy the National Commission that he has sufficient cause for not preferring the appeal within the period of limitation.
- (5) The appellant shall submit four copies of the memorandum to the National Commission for official purposes.
- (6) On the date of hearing or on any other day to which hearing may be adjourned, the parties or their authorised agents shall appear before the National Commission, and where-

- (a) the appellant or his authorised agent fails to appear, the National Commission may, in its discretion, either dismiss the appeal or decide it *ex-parte* on the merits of the case;
- (b) the respondent or his authorised agent fails to appear, the National Commission shall proceed *ex-parte* and shall decide the appeal on the merits of the case.

(7) The appellant shall not, except by the leave of the National Commission, urge or be heard in support of any ground of appeal not set forth in the memorandum but the National Commission, in deciding the appeal, may not be confined to the grounds of appeal set forth in the memorandum or taken by leave of the National Commission under this rule:

Provided that the National Commission shall not rest its decision on any other grounds unless the party who may be affected thereby, has been given, at least the opportunity of being heard by the National Commission.

- (8) No adjournment shall ordinarily be granted at any stage by the National Commission, unless sufficient cause is shown and the reasons for grant of adjournment have been recorded in writing by the National Commission:

Provided that the National Commission may also adjourn the hearing of the appeal *suo motu*, on such terms as it may think fit and at any stage of the proceedings for reasons to be recorded in writing, but shall ensure, as far as possible, that the appeal is decided within ninety days from the date of its admission:

Provided further that in the event of an appeal being disposed of after the period specified in the first proviso, the National Commission shall record in writing the reasons of the same at the time of disposal of the said appeal.

**15. Number of Members in National Commission.**-The National Commission shall consist of a President and not less than four members and not more than eleven members, of whom at least one member shall be a woman.

**16. Sitting of National Commission and signing of orders.** - (1) Every proceeding of the National Commission shall be conducted by members of a Bench constituted by the President of the National Commission with one or more members as he may deem fit.

- (2) Every order made by the National Commission shall be signed by the members who conducted the proceeding and if there is any difference of opinion among the members of the Bench, the opinion of the majority shall be the order of the National Commission.

**17. Manner of depositing amount in appeals before Supreme Court.** - Where an appeal is filed before the Supreme Court under section 67, the amount to be deposited by the appellant as provided in the second proviso to that section shall be remitted in the form of a crossed Demand Draft drawn on a nationalised bank in favour of the Registrar, Supreme Court, payable at New Delhi.

**18. Furnishing of information by State Commission.** - The State Commissions shall furnish information to the Central Government on a quarterly basis in the form as specified in Schedule I to these rules.

#### SCHEDULE-I

[Rule 18]

Present position of Implementation

(Quarterly Performance Report)

Working of Consumer Commissions/Consumer Protection Measures

Name of State:

1. Establishment of State Commissions and District Fora :		
I	Total number of Districts in State/Union Territory	
II	Number of District Commissions in the State	

	(a) Total Setup :				
	(b) Functional :				
	(c) Non Functional :				
	(d) Name of District where District Commission yet to be set up :				
	(e) Number of District where District Commission yet to be set up				
	(f) Number of District where more than one District Commission has been set up	District Name		No of District Commission	
III	Whether State Commission functional			Yes	No
IV	Strength and vacancies	State Commission		District Commission	
		Sanctioned Strength	Vacancies	Sanctioned Strength	Vacancies
	(a) President				
	(b) Members				
	(c) Reason for Vacancies and Action taken to fill up the same (to be enclosed separately)				
2.	<b>Performance of State Commission and District Commission</b>				
I	(a) Total cases filed since inception	State Commission		District Commission	
	(b) Cases disposed of				
	(c) Cases disposed of within prescribed time norms				
	(d) Number of cases disposed of by Lok Adalat method				
II	Detailed Break up of cases pending (give number of cases)	State Commission		District Commission	
	(a) Over 3 months up to 1 year				
	(b) Over 1 year up to 2 years				
	(c) Over 2 years up-to 5 years				
	(d) Over 5 years				
III	Cases disposed of within time norms (give number)	State Commission		District Commission	
	(a) Cases received after 15 March '02				
	(b) Cases disposed of within time norms out of (a) above (Number and %)				
<b>3. Implementation of Confonet Project</b>					
I	Computer Hardware/Software has	State Commission		District Commission (Numbers)	
	(a) been received	Yes	No		
	(b) been installed	Yes	No		

	(c) been functional	Yes	No	
II	Activities being done through computers	State Commission		District Commission (Numbers)
	(a) Is Case Monitoring System Installed & Operational;	Yes	No	
	(b) Has the live case data been entered?	Yes	No	
	(c) Whether Cause list and judgement being posted on the website	Yes	No	
4	<b>Training</b>			
(a)	Training of Members/President in Indian Institute of Public Administration	To be trained in the year as per training plan	Trained so far	During the quarter
(b)	Training of State/District level Officers in BIS Training Institute			
(c)	Training under Confonet			
	(a) President and Members			
	(b) Other Staff			
(d)	Any other Training			

[F.No.J-10/6/2018-CPU]

AMIT MEHTA, Jt. Secy

**NOTIFICATION**

New Delhi, the 15 July, 2020

**G.S.R. 449(E).**—In exercise of the powers conferred by sub-section (1) and clauses (b) and (c) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules, namely:—

- Short title and commencement.** — (1) These rules may be called the Consumer Protection (General) Rules, 2020.  
(2) They shall come into force on the 20<sup>th</sup> day of July, 2020.
- Definitions:**—In these rules, unless the context otherwise requires,—
  - 'Act' means the Consumer Protection Act, 2019 ( 35 of 2019);
  - 'public utility service' means any—
    - transport service for the carriage of passengers or goods by air, road or water; or
    - postal, telegraph, telephone or broadband service; or
    - supply of power, light or water or fuel or natural gas to the public by any establishment; or
    - insurance service; and
    - service in, or in connection with, the working of any major port or dock;
- Public utility services to be establishments.** – Public utility services shall be establishments for the purpose of Clause (19) of section 2.



4. **Certain activities to be exempt from unfair trade practice.**—Permitting of the following activities carried out for promoting directly or indirectly the sale, use or supply of any product or any business interest shall be exempt from the purview of unfair trade practices, namely:—
- (a) lotteries allowed under the Lotteries (Regulation) Act, 1998 (17 of 1998); and
  - (b) games of chance or skill not prohibited under the Public Gambling Act, 1867 (3 of 1867), which are not gambling and wherein success depends on a substantial degree of skill and not chance.
5. **Manner of issuing invoice or bill or cash memo or receipt for goods sold or services rendered.**— (1) Every invoice, bill, cash memo or receipt for goods sold or services rendered, issued by a seller shall have the following minimum particulars, namely:—
- (a) The name and address of the seller;
  - (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing letters or numerals or special characters (hyphen or dash, and slash, symbolised as “-” and “/” respectively) and any combination thereof, unique for a financial year;
  - (c) the date of its issue;
  - (d) the name of the consumer;
  - (e) the description of goods or services;
  - (f) the quantity, in case of goods;
  - (g) the shipping address, where applicable;
  - (h) the taxable value and discounts;
  - (i) the rate of tax;
  - (j) the signature of the seller or his authorised representative;
  - (k) the customer care number or e-mail ID, where available, and
  - (l) the total price in single figure, along with the breakup price showing all the compulsory and voluntary charges, such as delivery charges, postage and handling charges, conveyance charges and the applicable tax:

*Provided that where such invoice, bill, cash memo or receipt is issued by a seller in electronic form, the signature of the seller is not required.*

- (2) The serial number on the invoice, bill, cash memo or receipt to be issued by a seller shall not be altered, removed, replaced, or erased under any circumstances.

[F.No.J-10/6/2018-CPU]

AMIT MEHTA, Jt. Secy.

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION****(Department of Consumer Affairs)****NOTIFICATION**

New Delhi, the 15th July, 2020

**G.S.R. 450(E).**—In exercise of the powers conferred by sub-section (1) and clauses (r) and (zf) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules, namely:—

- 1. Short title and commencement.**—(1) These rules may be called the Consumer Protection (Mediation) Rules, 2020.  
(2) They shall come into force on the 20<sup>th</sup> day of July, 2020.
- 2. Definitions**—(1) In these rules, unless the context otherwise requires,—
  - (a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);
  - (b) "Commission" means District Commission, State Commission or National Commission, as the case may be;
  - (c) "mediation cell" means a consumer mediation cell established in accordance with the provisions of section 74;
  - (d) "panel" means a panel of mediators prepared by the Commission under sub-section (1) of section 75;
  - (e) "Parties" means parties to a dispute;
  - (f) "Settlement" means a settlement arrived at in the course of mediation.

(2) All other words and expressions used in the rules and not defined but defined in the Consumer Protection Act, 2019 (35 of 2019) shall have the meanings respectively assigned to them in the Act.
- 3. Mediation Cell.**—(1) Every Mediation Cell set up in a Commission, shall have a panel of mediators on the recommendation of a selection committee consisting of the President and a member of that Commission.  

(2) The Mediation Cell shall have such support staff as may be decided by the President of that Commission in consultation with the concerned Government and that Government shall provide all administrative assistance and infrastructure facilities required by the Commission
- 4. Matters not to be referred to mediation.**—The following matters shall not be referred to mediation, namely:—
  - (a) the matters relating to proceedings in respect of medical negligence resulting in grievous injury or death;
  - (b) matters which relate to defaults or offences for which applications for compounding of offences have been made by one or more parties;
  - (c) cases involving serious and specific allegations of fraud, fabrication of documents, forgery, impersonation, coercion;
  - (d) cases relating to prosecution for criminal and non-compoundable offences;
  - (e) cases which involve public interest or the interest of numerous persons who are not parties before the Commission:

Provided that, in any case other than those mentioned in this rule, the Commission before which the case is pending may choose not to refer it to mediation if it appears to the Commission that no elements of a settlement exist which may be acceptable to the parties or that mediation is otherwise not appropriate having regard to the circumstances of the case and the respective positions of the parties.

5. **Refund of fee.**—Where the Commission refers the parties to mediation, the complainant shall be entitled to receive full amount of application fee paid in respect of such complaint, if a settlement is reached between such parties.
6. **Resort to arbitral or judicial proceedings.**—The parties shall not initiate any arbitral or judicial proceedings in respect of a matter which is the subject-matter of the mediation and also when such parties have expressly undertaken not to initiate any such proceeding.
7. **Settlement agreement not to be discharged by death of party thereto.**—(1) A settlement agreement shall not be discharged by the death of any party thereto and shall be enforceable by or against the legal representative of the deceased party.  
(2) Nothing in this rule shall affect the operation of any law by virtue of which any right of action is extinguished by the death of a person.

[F. No. J-10/2/2020-CPU]

AMIT MEHTA, Jt. Secy.

## NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

### NOTIFICATION

New Delhi, the 24th July, 2020

**F. No. A-105/MR/NCDRC/2020.**—In exercise of the powers conferred by section 103 of the Consumer Protection Act, 2019 (35 of 2019), the National Consumer Disputes Redressal Commission, with the previous approval of the Central Government, hereby makes the following Regulations, namely:—

1. **Short title and commencement.**—(1) These regulations may be called the Consumer Protection (Mediation) Regulations, 2020.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**—(1) In these regulations, unless the context otherwise requires, —
  - (a) “Act” means the Consumer Protection Act, 2019 (35 of 2019);
  - (b) “Consumer Commission” means a District Consumer Disputes Redressal Commission established in a District under section 28 of the Act, a State Consumer Disputes Redressal Commission established in a State under section 42 of the Act or the National Consumer Disputes Redressal Commission established under section 53 of the Act;
  - (c) “Mediation Cell” means a Consumer Mediation Cell established under sub-section (1) of section 74 and includes the Consumer Mediation Cell attached to the regional benches of the National Commission.
  - (d) “party” means a party to a consumer dispute or any other proceeding pending before a Consumer Commission.
  - (e) “rules” mean the rules made under the Act;
  - (f) “section” means a section of the Act;
  - (g) “settlement” means a settlement arrived at in the course of a mediation proceeding in respect of all or some of the issues involved in a consumer dispute pending before a Consumer Commission.
- (2) The words and expressions used herein and not defined, but defined in the Act or the rules shall have the meaning as assigned to them in the Act or in the rules, as the case may be.

3. **Eligibility for empanelment as mediator.**—The following persons shall be eligible to be empanelled with a Mediation Cell—
- (i) retired Judges of Supreme Court of India;
  - (ii) retired Judges of the High Courts;
  - (iii) retired Members of a Consumer Commission;
  - (iv) retired District and Session Judges, retired Additional District and Session Judges or other retired Members of the Higher Judicial Services of a State;
  - (v) retired Judicial officers, having experience of not less than ten years;
  - (vi) an advocate with a minimum experience of ten years at Bar;
  - (vii) the mediators empanelled with the Mediation Cell of the Supreme Court of India, High Court or a District Court;
  - (viii) a person having experience of at least five years in mediation or conciliation;
  - (ix) experts or other professionals with at least fifteen years' experience or retired senior bureaucrats or retired executives.
4. **Disqualifications for empanelment.**—(1) The following persons shall be disqualified for being empanelled as a Mediator, namely:—
- (i) a person who has been adjudged as insolvent;
  - (ii) person against whom criminal charges involving moral turpitude are framed by a criminal court and are pending;
  - (iii) a person who has been convicted by a criminal court for any offence involving moral turpitude;
  - (iv) a person against whom disciplinary proceedings have been initiated by the appropriate disciplinary authority and are pending or have resulted in a punishment.
- (2) A person who is or has been interested in or connected with the subject matter of the consumer dispute or is related to or has been associated or connected in any manner, including in a professional capacity, with any of the parties to the consumer disputes or any of their associates, affiliates, promoters, holding companies, subsidiaries companies, partners, directors or employees, shall be disqualified for being nominated as a mediator in that case.
5. **Procedure for empanelment of mediator.**—(1) Each Consumer Commission shall invite applications from eligible persons for empanelment as mediators, by publication of a notice in at least one English and one vernacular newspaper widely circulated in its jurisdiction.
- (2) The applications received by the Mediation Cell for empanelment as mediator shall be scrutinized and the list of eligible applications shall be placed before the selection committee constituted under sub-section (1) of section 75.
  - (3) The Selection Committee shall determine its procedure for making its recommendation and, after taking into account the suitability, integrity as well as relevant experience of the candidates, recommend a panel to be maintained by the Mediation Cell.
  - (4) The panel of mediation shall consist of not more than such number of persons in the Mediation Cells attached to a Consumer Commission as may be decided by the President of that Consumer Commission.
  - (5) The consent of the persons whose names are included in the panel shall be obtained before empanelling them.
  - (6) The Mediation Cell shall be headed by the President of the Consumer Commission.

6. **Removal of mediator.**—If a mediator is discovered to be disqualified or he in any manner misconducts himself as a mediator or he is otherwise found unsuitable to continue as a mediator, the Mediation Cell may remove his name from the panel of mediators after giving an opportunity of hearing to him.
7. **Re-empanelment of mediator.**—Only such mediators shall be eligible for re-empanelment who, in the opinion of the Mediation Cell, have successfully and efficiently discharged their functions as empanelled mediators and such re-empanelment is made on the basis of the recommendation of the Selection Committee.
8. **Fee of mediators.**—(1) A consolidated fee, in a successful mediation shall be paid to the mediator, who conducts the mediation proceedings, from the time of reference till their conclusion.
  - (2) The fee of the mediator empanelled with a Consumer Commission, including costs of secretarial assistance and other ancillary expenses, shall be fixed by the President of the respective Consumer Commission, case wise, considering the nature of the dispute.
  - (3) In an unsuccessful mediation, half of the aforesaid fee will be paid to the mediator.
  - (4) The fee of the mediator shall be shared equally by the two sets of parties.
  - (5) The mediator who successfully conducts part of the proceedings will be paid such fee as may be fixed by the President of the Consumer Commission.
  - (6) The fee shall be deposited in advance, with the Mediation Cell.
  - (7) If a party does not deposit his share of the fee or the cost of mediation, the Consumer Commission may, on the application of the mediator or any other party, direct the party in default to deposit the same within a week, and if—
    - (i) he fails to deposit such fee or cost, the Consumer Commission may permit the other parties to deposit the same and recover the said amount, from the party in default, in the manner prescribed for the execution of a money decree by a Civil Court;
    - (ii) no other party deposits the share of the party in default, the Consumer Commission may terminate the mediation proceedings.
9. **Training.**—The mediators shall be given appropriate training in conducting mediation by such experts as may be nominated by the Mediation Cell and it shall be obligatory for them to attend such training.
10. **Code of conduct.**—(1) The empanelled mediators shall not communicate, directly or indirectly with any of the parties or their associates, affiliates, promoters, holding companies, subsidiaries companies, directors, partners or employees or with any of their counsel during pendency of the mediation proceedings, except during the course of the mediation, in the presence of the parties or their counsel.
  - (2) The empanelled mediator shall not accept any gift or hospitality from any of the parties or their associates, affiliates, promoters, holding companies, subsidiaries companies, directors, partners or employees or any of their counsel.
  - (3) In addition to the disclosure required under clauses (a) and (b) of section 77 each mediator shall disclose the following information before commencement of the mediation in a case assigned to him, namely:—
    - (i) whether he has or in the past had any personal, business or professional relationship or connection with any of the parties to the consumer dispute or other proceedings or any person associated or connected in any manner, to any of the parties or their associates, affiliates, parent companies, subsidiaries companies, directors, partners or employees;
    - (ii) whether there exists any circumstance which may give rise to be reasonable doubt as to his independence and impartiality.
11. **Mediation proceedings.**—(1) The mediation shall be conducted in the presence of the parties or their authorised representatives or counsel.
  - (2) The mediation shall stand terminated on expiry of three months from the date of first appearance before the mediator unless the time for completion of mediation is extended by the Consumer Commission, in which case it shall stand terminated on expiry of such extended time.



- (3) The parties shall be entitled to appear before the mediator in person or through their respective counsel or authorised representatives.
  - (4) The mediator shall be guided by the principles of natural justice and fair play but shall not be bound by the provisions of the Code of Civil Procedure, 1908 (5 of 1908) or the Indian Evidence Act, 1872 (1 of 1872).
  - (5) If a party does not participate in the mediation proceedings, the Consumer Commission may direct such a party to participate in the proceedings.
  - (6) The parties shall provide all such information to the mediator as may be reasonably required by him for conducting the mediation proceedings.
  - (7) The record of the proceedings shall be prepared by the mediator on every date and shall be signed by the parties or their Counsel, authorised representatives or Attorneys.
  - (8) The agreement executed between the parties shall be submitted by the mediator, to the Consumer Commission, in a sealed cover, with a forwarding letter.
  - (9) If no agreement is executed between the parties, within the time prescribed in these regulations, the mediator shall intimate so, to the Consumer Commission, without in any manner disclosing as to what transpired during the mediation proceedings, what was the stand taken by the parties or why the agreement could not be reached.
12. **Role of mediator.**—(1) The mediator shall attempt to facilitate a voluntary resolution of the disputes between the parties, assist them in removing the misunderstandings, if any, and generating options to resolve their disputes, but shall not impose any term or any settlement upon the parties.
- (2) The mediator shall explain the terms of the agreement, to the parties, before obtaining their respective signatures on it.
13. **Confidentiality.**—(1) The parties and the mediator shall maintain confidentiality in respect of the events that transpire during the mediation proceedings and shall not use or rely upon any information, document etc. produced, the proposals and admissions made or the views expressed during the mediation proceedings.
- (2) There shall be no audio or video recording of the mediation proceedings.
14. **Communications.**—The mediator shall not communicate with the Consumer Commission except by way of his report, with copies to all the parties.
15. **Immunity.**—(1) No mediator shall be liable for any civil or criminal proceedings, for any act done or omitted to be done bonafidely by him, in his capacity as a mediator.
- (2) The mediator shall not be summoned by a party to appear in a Court or other forum, to testify in regard to any information received or the action taken by him during the mediation proceedings.
16. **Reports.**—(1) Every Mediation Cell shall submit a quarterly report to the District Commission, the State Commission or the National Commission to which it is attached, containing the following information, namely:—
- (a) a list of its empanelled mediators, including experience and qualifications of each of them;
  - (b) the number of cases pending before it at the beginning of the quarter;
  - (c) the number of cases referred to it during the quarter;
  - (d) the number of cases disposed of during the quarter;
  - (e) the number of cases pending at the end of the quarter;
  - (f) the number of cases assigned to each mediator, the number of cases disposed of by him during the quarter and the number of cases in which the mediation referred to him was successful;
  - (g) the number of cases in which the mediation was not successful;
  - (h) the fee paid to each mediator during the quarter.
- (2) The report shall be submitted within one month of the end of each quarter.

# NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

## NOTIFICATION

New Delhi, the 24th July, 2020

**F. No. A-105/CCPR/NCDRC/2020.**—In exercise of the powers conferred by sub-section (1) of section 103 of the Consumer Protection Act, 2019 (35 of 2019) and in supersession of the Consumer Protection Regulations, 2005, except as respects things done or omitted to be done before such supersession, the National Consumer Disputes Redressal Commission, with the previous approval of the Central Government, hereby makes the following regulations, namely:—

1. **Short title and commencement.**—(1) These regulations may be called the Consumer Protection (Consumer Commission Procedure) Regulations, 2020.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**— In these regulations, unless the context otherwise requires,—
  - (a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);
  - (b) "agent" means a person duly authorised by a party to present any complaint, appeal, revision or to file written version or to file any written submissions and address or plead, as the case may be, for and on behalf of such a party before the Consumer Commission;
  - (c) "Consumer Commission" means a District Consumer Disputes Redressal Commission, a State Consumer Disputes Redressal Commission or the National Consumer Disputes Redressal Commission;
  - (d) "Registrar" means the head of the ministerial establishment of the Consumer Commission and exercising such powers and functions as are conferred upon him by the President of the Consumer Commission;
  - (e) "rules" means the rules made under the Act;
  - (f) "section" means a section of the Act;
  - (g) words and expressions used in these regulations and not defined herein, but defined either in the Act or in the rules shall have the same meaning respectively assigned to them either in the Act or in the rules; as the case may be.
3. **Arrangements in Consumer Commission.**— (1) A Consumer Commission, being not a regular court, shall have the arrangements as to depict it distinct from a court.  
(2) In the hall in which the Consumer Commission shall hear the parties, the dais may not be kept more than 30 centimetre in height than the place earmarked for the parties to occupy.  
(3) At the dais of the hall, the President and the members of the Consumer Commission shall use the same type of chairs at the same level and these chairs need not have high backs.  
(4) The complainant and the opposite party can appear in person or through agent or through counsel.
4. **Dress code.**—(1) The President and members of every Consumer Commission while presiding over the Benches,—
  - (a) shall wear simple and sober dress;
  - (b) shall not wear—
    - (i) flashy dress or dress displaying any affluence;
    - (ii) Jeans or T-shirts;
    - (iii) such dress, as may be prescribed for judges of the High Court or the District Court.
  - (2) The complainant, opposite party, counsel or agent shall also follow the dress code as per clause (a) and sub-clauses (i) and (ii) of clause (b) of sub-regulation (1).
5. **Hearing hours.**—Subject to the provisions of any rules made in this behalf, the normal working hours of the Consumer Commission for hearing matters shall be from 10.30 a.m. to 1.00 p.m. and 2.00 p.m. to 4.30 p.m. on all working days of the Central Government in the case of the National Commission and on all working days of the State Government in the case of the State Commission and the District Commission.

6. **Cause List.**-(1) Tentative Cause List of cases to be heard by the Consumer Commission in the following entire week shall be made ready before the close of the working hours of the preceding week and displayed on the notice board and shall also be hosted on the website of the Consumer Commission.
- (2) The Final Cause List of cases to be heard on the following day shall be made ready before the close of the working hours of the preceding day and displayed on the notice board and also hosted on the website.
  - (3) The Cause List shall be split into such different parts as may be decided by the Hon'ble President of the National Commission from time to time.
  - (4) Every cause list shall contain the following particulars, namely:-
    - (i) Serial Number;
    - (ii) Number of the matter;
    - (iii) Names of the parties;
    - (iv) Name of the party or Counsel or agent appearing.
  - (5) If a date of hearing is given in the presence of parties or their agents, it shall not be a ground for non-appearance for the reason that the cause list for the concerned date does not show the matter or contains incorrect entry or there is omission of the particulars of the matter.
7. **Institution of complaints, appeals and revision petitions.**-(1) Where a Complaint is filed in the District Commission, it shall be filed in three sets with additional sets equal to the number of opposite parties.
- (2) Where the Complaint or Appeal or Revision petition is filed before the State Commission, it shall be filed in three sets or such number of sets as may be decided by the President of the State Commission from time to time, with approval of the President of the National Commission, with additional sets equal to the number of opposite parties or respondents.
  - (3) Where a Complaint or Appeal or Revision Petition is filed in the National Commission, it shall be filed in two sets and the sets for the Opposite parties or respondents shall be filed within a week of admission of such case or issuance of notice to the opposite parties.
  - (4) Every complaint shall clearly contain particulars of dispute and the relief claimed and shall also be accompanied by copies of such documents as are necessary to prove the claim made in the complaint.
8. **Nomenclature to be given to the complaints, appeals etc.** -A complaint shall be referred to as Consumer Complaint or C.C., an appeal shall be referred to as First Appeal or F.A., Revision Petition as R.P., Execution Application as E.A., Appeal in Execution matters as A.E., Transfer Application as T.A., Review Application as R.A., Interim Application as I.A. and Miscellaneous Application as M.A., followed by the number and the year of filing.
9. **Scrutiny of complaint, appeal, petition and revision petition.**-(1) Every complaint, appeal, or revision petition shall after it is filed be numbered by the Registrar.
- (2) If there is any defect in the filing of the complaint, appeal or revision petition, the particulars of such defects shall be recorded and the party or his agents shall be informed of the defects asking them for removing the defects within fifteen days.
  - (3) In case the party disputes the correctness of the defects pointed out, the matter shall be placed before the Consumer Commission for appropriate orders.
  - (4) After the expiry of the time given, the matter shall, irrespective of the fact as to whether the defects have been removed or not, be placed before the Consumer Commission for appropriate orders.
  - (5) If the objections raised by the Registrar are substantial and are not removed within the time allowed for the purpose, those days shall not be excluded for counting the period of limitation.
  - (6) The admissibility of the complaint shall ordinarily be decided within twenty-one days from the date on which the complaint is received as provided in the second proviso to sub-section (2) of section 36.
  - (7) In case any defect is pointed out by the Registrar, twenty-one days referred to in sub-regulation (6) shall commence from the date on which such defect was removed.
  - (8) All pending complaints, appeals and revision petitions which have not come up for admission till the date of commencement of these regulations and are pending for admission for more than twenty-one

days shall be listed immediately by the Consumer Commission for admission and not later than twenty-one days from the date of commencement of these regulations.

10. **Issue of notice.**-(1) Whenever the Consumer Commission directs the issuance of a notice in respect of a complaint, appeal or revision petition, as the case may be, to the opposite parties or respondents, ordinarily such notice shall be issued for a period of thirty days and depending upon the circumstances of each case, even for less than thirty days.
- (2) When there is a question of raising presumption of service, thirty days' notice shall be required.
  - (3) Whenever notices are sought to be effected by a courier service, it shall be ascertained that the courier is of repute.
  - (4) While appointing the courier for the purpose of effecting service, security deposit may also be taken.
  - (5) Along with the notice, copies of the complaint, memorandum of grounds of appeal or petition, as the case may be, and other documents filed shall be served upon the opposite party or respondent.
  - (6) After the opposite party or respondent has put in appearance, no application or document shall be received by the Registrar unless it bears an endorsement that a copy thereof has been served upon the other side.
11. **Adjournment.**-(1) Every proceeding before a Consumer Commission shall be conducted as expeditiously as possible and as per the requirements of the Act.
- (2) The Consumer Commission shall record the reasons for any adjournment made by it.
  - (3) Request for adjournment shall be entertained only in exceptional circumstances and for reasons to be recorded in writing:  
Provided that in case of a prayer for adjournment under any other circumstances, the Consumer Commission may, unless sufficient cause is shown, impose such cost, as it deems necessary, for granting such adjournment.
  - (4) The cost imposed may be given to the other party or parties to defray his or their expenses or be deposited in the Consumer Legal Aid Account to be maintained by the respective Consumer Commission, as the Consumer Commission may order.
  - (5) All orders adjourning the matter shall be signed by the concerned President and members of the Consumer Commission and not by the Court Master or Bench Clerk.
12. **Hearing by Benches.**-Where a Bench, constituted by the President of the State Commission or the National Commission as provided under sub-section (2) of section 47 or sub-section (2) of section 58, as the case may be, does not have a member with judicial background and any complex question of law arises and there is no precedent to decide the law point, the Bench so constituted may refer the matter to the President of the State Commission or the National Commission, as the case may be, to constitute another Bench of which the President shall be a member.
13. **Arguments.**-(1) Arguments should be as brief as possible and to the point at issue.
- (2) Where a party is represented by a counsel, it shall be mandatory to file a brief of written arguments two days before the matter is fixed for arguments.
  - (3) In case of default to file briefs, the Consumer Commission shall impose such cost as it deems necessary.
14. **Limitation.**-(1) Subject to the provisions of sections 40, 41, 50, 51, 60, 67 and 69, the period of limitation in the following matters shall be as follows:-
- (i) Revision Petition shall be filed within ninety days from the date of receipt of certified copy of the order;
  - (ii) application for setting aside the ex-parte order under section 61 or dismissal of the complaint in default shall be maintainable if filed within thirty days from the date of the order or date of receipt of the order, as the case may be;
  - (iii) an application for review under sections 40, 50 and 60 shall be filed to the District Commission, the State Commission and the National Commission, respectively, within thirty days from the date of the order;



- (iv) the period of limitation for filing any application for which no period of limitation has been specified in the Act or the rules or in these regulations shall be thirty days from the date of the cause of action or the date of knowledge.
  - (2) Subject to the provisions of the Act, the Consumer Commission may condone the delay in filing an application or a petition referred to in sub-regulation (1) if valid and sufficient reasons to its satisfaction are given.
15. **Review.**-(1) It shall set out clearly the grounds for review.
- (2) Unless otherwise ordered by the Consumer Commission, an application for review shall be disposed of by circulation without oral arguments, as far as practicable between the same members who had delivered the order sought to be reviewed.
16. **Appearance of Voluntary Consumer Organisations.**-(1) Recognised Consumer Organisations have a right of audience before the Consumer Commission.
- (2) An authorisation of a Voluntary Consumer Organisation may be by way of special power of attorney executed on a non-judicial paper or even on plain paper duly attested by a Gazetted Officer or a Notary Public.
  - (3) The Power of Attorney holder shall be entitled to engage a counsel, if authorised to do so.
  - (4) A Voluntary Consumer Organisation can engage a counsel or an advocate of its choice or it can itself represent through one of its office bearers as per the rules governing it.
  - (5) In case of a complaint where the Voluntary Consumer Organisation is a complainant along with the consumer himself and the dispute affects the complainant individually, he can withdraw the complaint:  
Provided that if the issue involves unfair trade practice or restrictive trade practice a Voluntary Consumer Organisation may continue to proceed with the complaint even if the complainant wishes to withdraw the same.
  - (6) A Consumer Commission has to guard itself from touts and busybodies in the garb of power of attorney holders or unauthorized agents in the proceedings before it.
  - (7) While a Consumer Commission may permit an authorised agent to appear before it, but authorised agent shall not be one who has used this as a profession:  
Provided that this sub-regulation shall not apply in case of advocates.
  - (8) An authorised agent may be debarred from appearing before a Consumer Commission if he is found guilty of misconduct or any other malpractice at any time.
17. **Ex-parte interim order.**- If an application for vacating or modifying or discharging the ex parte interim order is filed by any of the parties, it shall be decided within forty-five days and the Commission shall have the discretion to extend the ex parte interim order if such application is not decided within forty-five days.
18. **Final order.**-(1) An order on the top right hand corner shall show as to when the complaint was filed and the date of the order.
- (2) The cause title of the order shall contain the names of all the parties with their addresses.
  - (3) In the body of the order it is desirable that after mentioning the complainant or the opposite party, their names as shown in the title be mentioned and parties thereafter may not be mentioned as complainant or opposite party No.1 or opposite party No.2, etc.
  - (4) The cause title shall also clearly show if the appellant or respondent was the complainant or opposite party.
  - (5) The order of a Consumer Commission disposing of a matter shall be as short and precise as practicable and unnecessary long quotations from the judgments of the higher courts or otherwise shall be avoided.
  - (6) When a copy of the order is sent to a party, the mode by which it is sent and the date on which it is sent shall be stamped on the last page of the order.
  - (7) The Consumer Commission shall pass final order invariably within thirty days.
19. **Return on institution and disposal of cases.**-(1) A Consumer Commission is expected to dispose of maximum number of cases every month so as to keep the pendency to a bare minimum.



- (2) A periodic monthly return of institution and disposal of cases shall be sent by the District Commissions to the State Commission.
  - (3) The State Commission shall submit a periodic monthly return of institution and disposal of cases to the National Commission.
  - (4) Notwithstanding anything contained in this regulation, the President of the National Commission may, at any time, call for any return or information relating to its functioning from a State Commission or District Commissions.
20. **Preservation of records.**-(1) In the case of complaint, the record containing main files with original order sheet shall be preserved for a period five years.
- (2) In the case of records of appeal and revision petitions, it shall be preserved for three years from the date of disposal of the appeal or revision as the case may be.
  - (3) Immediately after the consumer complaint, appeal or revision petition, as the case may be, is disposed of, extra sets shall be given to the parties who may use the same for filing of appeal or revision petition and in that case the necessity to summon the record from the Commissions below can be dispensed with.
  - (4) The Registrar shall inform the parties while forwarding the certified copy of the final order, where they do not appear in person at the time of finally disposing of the matter to arrange to collect the extra sets.
  - (5) A period of at least one month shall be given for the purpose of collection of records by the party and in case of default the extra sets shall be weeded out.
21. **Certified copy.**-(1) A copy of the final order is to be given to the parties free of cost as required under the Act and the rules made thereunder.
- (2) In case a party requires an extra copy, it shall be issued to him duly certified by the Registry on a payment of rupees twenty irrespective of number of pages.
  - (3) A certified copy of an order shall clearly specify the date when free copy was issued, date of application, date when the copy was made ready and the date when it was so delivered to him.
  - (4) Any party desiring to get a certified copy of any document on the file of the Consumer Commission, may get the same on payment of certification fee of twenty rupees per copy:  
Provided that if any such document of which certified copy is sought, is over and above five pages, an extra amount of one rupee per page shall be charged over and above the fee of rupees twenty.
  - (6) Certified copy of any miscellaneous order passed by the Consumer Commission shall be supplied on payment of rupees five per copy.
22. **Inspection of records.**-Parties or their agents can inspect the records of matter filed by them by filing an application on payment of ten rupees as fee.
23. **Filing of criminal complaint.**-Wherever a complaint is required to be filed by the Consumer Commission under sub-section (10) of section 38, the Consumer Commission may authorise its Registrar to file the complaint.
24. **Practice Directions.**- The National Commission shall be entitled to issue practice directions from time to time as may be necessary for the proper conduct of the cases before Consumer Commission including prescribing forms for complaints, notices, returns, certificate to be issued to the collector and the like.
25. **Parsha Yad-dast.**- Where a party appears in person and is illiterate, the Court Master or Bench Clerk shall give to that party the next date of hearing in writing.
26. **Miscellaneous.**-(1) In all proceedings before the Consumer Commission, endeavour shall be made by the parties and their agent to avoid the use of provisions of Code of Civil Procedure, 1908 (5 of 1908):

Provided that the provisions of the Code of Civil Procedure, 1908 may be applied which have been referred to in the Act or in the rules made thereunder.

- (2) Every State Commission and every District Commission shall take steps for its computerisation and networking.
- (3) The Consumer Commission shall give proper respect and courtesy to the parties who appear in person and shall provide separate accommodation in the Hall for the convenience of the parties.
- (4) The Consumer Commission shall not insist upon the parties to engage advocates.
- (5) The Fees collected for inspection of the documents and supply of certified copies shall be deposited in the account maintained for the purpose of depositing fee for filing a complaint as prescribed by the Central Government by rules.
- (6) The cases filed by or against the senior citizens, physically challenged, widows and persons suffering from serious ailments shall be listed and disposed of on a priority basis.

S. HANUMANTHA RAO, Jt. Registrar

[ADVT.-III/4/Exty./136/2020-21]

## NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

### NOTIFICATION

New Delhi, the 24th July, 2020

**F. No.A-105/ACR/NCDRC/2020.**—In exercise of the powers conferred by section 103 of the Consumer Protection Act, 2019. (35 of 2019), read with section 70 and in supersession of the Consumer Protection (Administrative Control over the State Commission and the District Commission) Regulations, 2018, except as respects things done or omitted to be done before such supersession, the National Consumer Disputes Redressal Commission with the previous approval of the Central Government, hereby makes the following regulations, namely:-

1. **Short title and commencement.**—(1) These regulations may be called the Consumer Protection (Administrative Control over the State Commission and the District Commission) Regulations, 2020.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**—In these regulations, unless the context otherwise requires, —  
(i) "Act" means the Consumer Protection Act, 2019 (35 of 2019);  
(ii) words and expressions used in these regulations and not defined herein but defined in the Act or in the rules made thereunder shall have the same meaning as assigned to them in the Act or in the rules, as the case may be.
3. **Observance of work.**—(1) The State Commission and the District Commission shall list sufficient matters on each working day as prescribed in regulation 5 of the Consumer Protection (Consumer Commission Procedure) Regulations, 2020.
4. **Inspection of State Commission.**—(1) The President or a member of the National Commission duly authorised by him shall inspect each State Commission at least once in a calendar year and prepare a report of such inspection and submit the same to the National Commission within fifteen days of such inspection.  
(2) On receipt of the inspection report, the President of the National Commission may issue such administrative directions to the State Commission, as may be deemed appropriate by him, to improve the functioning of the State Commission and to achieve the objects and purposes of the Act without interfering with its quasi-judicial freedom.  
(3) The State Commission shall expeditiously comply with the directions issued under sub-regulation (2).

5. **Inspection of the District Commission.**—(1) The President or a member of the State Commission duly authorised by him shall inspect each District Commission under its administrative control at least once in a calendar year and prepare a report of such an inspection and submit the same to the State Commission within fifteen days of such inspection.
- (2) On receipt of the inspection report, the President of the State Commission may issue such administrative direction to the District Commission, as may be deemed appropriate by him to improve the functioning of the District Commission and to achieve the objects and purposes of the Act without interfering with its quasi-judicial freedom.
- (3) The District Commission shall expeditiously comply with the directions issued under sub-regulation (2).
- (4) A copy of the directions issued by the President of the State Commission under sub-regulation (2) shall also be forwarded to the President of the National Commission.
6. **Recommendation to State Government for administrative action.**—(1) The President of the National Commission, may, on receipt of a complaint against the President or a member of a State Commission, after making such inquiry, if any, as he may deem appropriate, recommend to the concerned State Government for taking suitable administrative action against such President or member, as the case may be.
- (2) The President of a State Commission, may, on receipt of a complaint against the President or a member of the District Commission, after making such inquiry, if any, as he may deem appropriate, recommend to the concerned State Government for taking suitable administrative action against such President or member, as the case may be, and a copy of such recommendation shall also be forwarded to the National Commission.
7. **Uploading of orders.**—The State Commission and the District Commission shall upload final orders pronounced by them, on their respective websites, within three days of the pronouncement of such order.
8. **Uploading of pending matters.**—The State Commission and the District Commission shall upload, on their respective websites by the 7th day of each month, the particulars of the pending matters, in which arguments have been heard, but the order has not been pronounced for more than forty-five days.

S. HANUMANTHA RAO, Jt. Registrar  
[ ADVT.-III/4/Exty./137/2020-21 ]

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**

**(Department of Consumer Affairs)**

**NOTIFICATION**

New Delhi, the 15th July, 2020

**G.S.R. 452(E).**—In exercise of the powers conferred by sections 29 and 43, read with clauses (n) and (w) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules, namely: -

**1. Short title and commencement.**—(1) These rules may be called the Consumer Protection (Qualification for appointment, method of recruitment, procedure of appointment, term of office, resignation and removal of the President and members of the State Commission and District Commission) Rules, 2020.

(2) They shall come into force on the 20<sup>th</sup> day of July, 2020.

**2. Definitions.**—(1) In these rules, unless the context otherwise requires, -

(a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);

(b) "Selection Committee" means the Selection Committee referred to in sub-rule (1) of rule 6;

(2) The words and expressions used herein, but not defined and defined in the Act shall have the same meaning assigned to them in the Act.

**3. Qualifications for appointment of President and members of the State Commission.**—(1) A person shall not be qualified for appointment as President, unless he is, or has been, a Judge of the High Court;

(2) A person shall not be qualified for appointment as a member unless he is of not less than forty years of age and possesses--

(a) an experience of at least ten years as presiding officer of a district court or of any tribunal at equivalent level or combined service as such in the district court and tribunal:

Provided that not more than fifty percent of such members shall be appointed; or

(b) a bachelor's degree from a recognised university and is a person of ability, integrity and standing, and has special knowledge and professional experience of not less than twenty years in consumer affairs, law, public affairs, administration, economics, commerce, industry, finance, management, engineering, technology, public health or medicine;

(3) At least one member or the President of the State Commission shall be a woman.

**4. Qualifications for appointment of President and member of District Commission.**—(1) A person shall not be qualified for appointment as President, unless he is, or has been, or is qualified to be a District Judge.

(2) A person shall not be qualified for appointment as member unless he-

(a) is of not less than thirty-five years of age;

(b) possesses a bachelor's degree from a recognised University; and

(c) is a person of ability, integrity and standing, and having special knowledge and professional experience of not less than fifteen years in consumer affairs, law, public affairs, administration, economics, commerce, industry, finance, management, engineering, technology, public health or medicine.

(3) At least one member or the President of the District Commission shall be a woman.

**5. Disqualification for appointment of President or member of State Commission and District Commission.**—A person shall be disqualified for appointment as the President or a member of a State Commission or District Commission if he—

(1) has been convicted and sentenced to imprisonment for an offence which involves moral turpitude; or

(2) has been adjudged to be insolvent; or

(3) is of unsound mind and stands so declared by a competent court; or

(4) has been removed or dismissed from the service of the State Government or Central Government or a body corporate owned or controlled by such Government; or

- (5) has, in the opinion of the State Government, such financial or other interest as is likely to prejudicially affect his functions as the President or a member.

**6. Procedure of appointment.**—(1) The President and members of the State Commission and the District Commission shall be appointed by the State Government on the recommendation of a Selection Committee, consisting of the following persons, namely:—

- (a) Chief Justice of the High Court or any Judge of the High Court nominated by him—Chairperson;
  - (b) Secretary in charge of Consumer Affairs of the State Government—Member;
  - (c) Nominee of the Chief Secretary of the State—Member.
- (2) The Secretary in charge of Consumer Affairs of the State Government shall be the convener of the Selection Committee.
  - (3) No appointment of the President, or of a member shall be invalid merely by reason of any vacancy or absence in the Selection Committee other than a vacancy or absence of the Chairperson.
  - (4) The process of appointments shall be initiated by the State Government at least six months before the vacancy arises.
  - (5) If a post falls vacant due to resignation or death of a member or creation of a new post, the process for filling the post shall be initiated immediately after the post has fallen vacant or is created, as the case may be.
  - (6) The advertisement of a vacancy inviting applications for the posts from eligible candidates shall be published in leading newspapers and circulated in such other manner as the State Government may deem appropriate.
  - (7) After scrutiny of the applications received till the last date specified for receipt of such applications, a list of eligible candidates along with their applications shall be placed before the Selection Committee.
  - (8) The Selection Committee shall consider all the applications of eligible applicants referred to it and if it considers necessary, it may shortlist the applicants in accordance with such criteria as it may decide.
  - (9) The Selection Committee shall determine its procedure for making its recommendation keeping in view the requirements of the State Commission or the District Commission and after taking into account the suitability, record of past performance, integrity and adjudicatory experience.
  - (10) The Selection committee shall recommend a panel of names of candidates for appointment in the order of merit for the consideration of the State Government.
  - (11) The State Government shall verify or cause to be verified the credentials and antecedents of the recommended candidates.
  - (12) Every appointment of a President or member shall be subject to submission of a certificate of physical fitness as indicated in the annexure appended to these rules, duly signed by a civil surgeon or District Medical Officer.
  - (13) Before appointment, the selected candidate shall furnish an undertaking that he does not and will not have any such financial or other interest as is likely to affect prejudicially his functions as a President or member.

**7. Resignation by President or Member of State Commission or District Commission.**—The President or any member may, by writing under his hand addressed to the State Government, resign his office at any time:

Provided that the President or member shall, unless he is permitted by the State Government to relinquish office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as a successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

**8. Removal of President or Member of State Commission or District Commission from office.**—(1) The State Government shall remove from office any President or member, who—

- (a) has been adjudged as an insolvent; or
- (b) has been convicted of an offence which involves moral turpitude; or
- (c) has become physically or mentally incapable of acting as such member; or



- (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a member; or
- (e) has so abused his position as to render his continuance in office prejudicial to public interest:

Provided that where a President or member is proposed to be removed on any ground specified in clauses (c) to (e), the President or member shall be informed of the charges against him and given an opportunity of being heard in respect of those charges.

**9. Procedure for inquiry of misbehavior or incapacity of President or Member of State Commission or District Commission.**—(1) If a written complaint is received by the State Government, alleging any definite charge of misbehavior or incapacity to perform the functions of the office in respect of the President or a Member of the State Commission or District Commission, the State Government shall make a preliminary scrutiny of such complaint.

(2) If on preliminary scrutiny, the State Government is of the opinion that there are reasonable grounds for making an inquiry into the truth of any misbehavior or incapacity of the President or a Member of the State Commission or District Commission, it shall make a reference to the National Commission in the case of State Commission and to the State Commission in the case of District Commission to conduct the inquiry.

(3) The National Commission or the State Commission, as the case may be, shall complete the inquiry within three months or such further time as may be specified by the National Commission.

(4) After the conclusion of the inquiry, the National Commission or the State Commission, as the case may be, shall submit its report to the State Government stating therein its findings and the reasons therefor on each of the charges separately with such observations on the whole case as it may think fit.

(5) The National Commission or the State Commission, as the case may be, shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 (5 of 1908) but shall be guided by the principles of natural justice and shall have power to regulate its own procedure, including the fixing of date, place and time of its inquiry.

**10. Term of office of President or Member.**—The President and every member of the State Commission and the District Commission shall hold office for a term of four years or up to the age of sixty-five years, whichever is earlier and shall be eligible for reappointment for another term of four years subject to the age limit of sixty-five years, and such reappointment is made on the basis of the recommendation of the Selection Committee.

[F. No. J-10/7/2018-CPU]

AMIT MEHTA, Jt. Secy.

#### ANNEXURE

[ See rule 6 (12)]

#### CERTIFICATE OF PHYSICAL FITNESS

I hereby certify that I have examined Shri/Smt./Ms. .... and that I have not discovered that he/she has any disease ( communicable or otherwise) , constitutional weakness or bodily infirmity, except..... I do not consider this a disqualification for his/her for employment as member in the State/District Consumer Disputes Redressal Commission for a period of four years or up to the age of sixty five years, whichever is earlier.

Date.....

Signature of candidate

Signature  
Designation  
(Civil Surgeon/District Medical Officer)

## MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(Department of Consumer Affairs)

## NOTIFICATION

New Delhi, 23rd July, 2020

**G.S.R. 462(E).**—In exercise of the powers conferred by sub-clause (zg) of sub-section (1) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules, namely: -

1. **Short title and commencement.** — (1) These rules may be called the Consumer Protection (E-Commerce) Rules, 2020.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. **Scope and Applicability.** — (1) Save as otherwise expressly provided by the Central Government by notification, these rules shall apply to:
  - (a) all goods and services bought or sold over digital or electronic network including digital products;
  - (b) all models of e-commerce, including marketplace and inventory models of e-commerce;
  - (c) all e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; and
  - (d) all forms of unfair trade practices across all models of e-commerce:

Provided that these rules shall not apply to any activity of a natural person carried out in a personal capacity not being part of any professional or commercial activity undertaken on a regular or systematic basis.
- (2) Notwithstanding anything contained in sub-rule (1), these rules shall apply to a e-commerce entity which is not established in India, but systematically offers goods or services to consumers in India.
3. **Definitions.** — (1) In these rules unless the context otherwise requires, —
  - (a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);
  - (b) "e-commerce entity" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity;
  - (c) "grievance" includes any complaints to an e-commerce entity regarding violations of the provisions of the Act and the rules made thereunder;
  - (d) "GSTIN" means the Goods and Services Tax Identification Number as under the Central Goods and Services Tax Act, 2017 (12 of 2017);
  - (e) "information" shall have the same meaning as to it clause (v) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000);
  - (f) "inventory e-commerce entity" means an e-commerce entity which owns the inventory of goods or services and sells such goods or services directly to the consumers and shall include single brand retailers and multi-channel single brand retailers;
  - (g) "marketplace e-commerce entity" means an e-commerce entity which provides an information technology platform on a digital or electronic network to facilitate transactions between buyers and sellers;
  - (h) "PAN" means Permanent Account Number as under section 139A of the Income Tax Act, 1961 (43 of 1961);
  - (i) "platform" means an online interface in the form of any software including a website or a part thereof and applications including mobile applications;
  - (j) "ranking" means the relative prominence or relevance given to the goods or services offered through a marketplace e-commerce entity as presented, organised or communicated by such entity, irrespective of the technological means used for such presentation, organisation or communication;

(k) "seller" means the product seller as defined in clause (37) of section 2 of the Act and shall include any service provider;

(l) "user" means any person who accesses or avails any computer resource of an e-commerce entity.

(2) The words and expressions used herein and not defined, but defined in the Act or in the Information Technology Act, 2000 (21 of 2000) or the rules made thereunder shall have the same meaning as respectively assigned to them in those Acts or rules.

**4. Duties of e-commerce entities. —**

(1) An e-commerce entity shall:

(a) be a company incorporated under the Companies Act, 1956 (1 of 1956) or the Companies Act, 2013 (18 of 2013) or a foreign company covered under clause (42) of section 2 of the Companies Act, 2013 (18 of 2013) or an office, branch or agency outside India owned or controlled by a person resident in India as provided in sub-clause (iii) of clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999); and

(a) appoint a nodal person of contact or an alternate senior designated functionary who is resident in India, to ensure compliance with the provisions of the Act or the rules made thereunder.

(2) Every e-commerce entity shall provide the following information in a clear and accessible manner on its platform, displayed prominently to its users, namely:--

(क) legal name of the e-commerce entity;

(ख) principal geographic address of its headquarters and all branches;

(ग) name and details of its website; and

(घ) contact details like e-mail address, fax, landline and mobile numbers of customer care as well as of grievance officer.

(3) No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise.

(4) Every e-commerce entity shall establish an adequate grievance redressal mechanism having regard to the number of grievances ordinarily received by such entity from India, and shall appoint a grievance officer for consumer grievance redressal, and shall display the name, contact details, and designation of such officer on its platform.

(5) Every e-commerce entity shall ensure that the grievance officer referred to in sub-rule (4) acknowledges the receipt of any consumer complaint within forty-eight hours and redresses the complaint within one month from the date of receipt of the complaint.

(6) Where an e-commerce entity offers imported goods or services for sale, it shall mention the name and details of any importer from whom it has purchased such goods or services, or who may be a seller on its platform.

(7) Every e-commerce entity shall endeavour on a best effort basis to become a partner in the convergence process of the National Consumer Helpline of the Central Government.

(8) No e-commerce entity shall impose cancellation charges on consumers cancelling after confirming purchase unless similar charges are also borne by the e-commerce entity, if they cancel the purchase order unilaterally for any reason.

(9) Every e-commerce entity shall only record the consent of a consumer for the purchase of any good or service offered on its platform where such consent is expressed through an explicit and affirmative action, and no such entity shall record such consent automatically, including in the form of pre-ticked checkboxes.

(10) Every e-commerce entity shall effect all payments towards accepted refund requests of the consumers as prescribed by the Reserve Bank of India or any other competent authority under any law for the time being in force, within a reasonable period of time, or as prescribed under applicable laws.

(11) No e-commerce entity shall--

(a) manipulate the price of the goods or services offered on its platform in such a manner as to gain unreasonable profit by imposing on consumers any unjustified price having regard to the prevailing market conditions, the essential nature of the good or service, any extraordinary circumstances under which the good or service is offered, and any other relevant consideration in determining whether the price charged is justified;

(b) discriminate between consumers of the same class or make any arbitrary classification of consumers affecting their rights under the Act.

5. **Liabilities of marketplace e-commerce entities.** – (1) A marketplace e-commerce entity which seeks to avail the exemption from liability under sub-section (1) of section 79 of the Information Technology Act, 2000 (21 of 2000) shall comply with sub-sections (2) and (3) of that section, including the provisions of the Information Technology (Intermediary Guidelines) Rules, 2011.

(2) Every marketplace e-commerce entity shall require sellers through an undertaking to ensure that descriptions, images, and other content pertaining to goods or services on their platform is accurate and corresponds directly with the appearance, nature, quality, purpose and other general features of such good or service.

(3) Every marketplace e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users at the appropriate place on its platform:

(a) details about the sellers offering goods and services, including the name of their business, whether registered or not, their geographic address, customer care number, any rating or other aggregated feedback about such seller, and any other information necessary for enabling consumers to make informed decisions at the pre-purchase stage:

Provided that a marketplace e-commerce entity shall, on a request in writing made by a consumer after the purchase of any goods or services on its platform by such consumer, provide him with information regarding the seller from which such consumer has made such purchase, including the principal geographic address of its headquarters and all branches, name and details of its website, its email address and any other information necessary for communication with the seller for effective dispute resolution;

(b) a ticket number for each complaint lodged through which the consumer can track the status of the complaint;

(c) information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions;

(d) information on available payment methods, the security of those payment methods, any fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider;

(e) all information provided to it by sellers under sub-rule (5) of rule 6; and



(च) an explanation of the main parameters which, individually or collectively, are most significant in determining the ranking of goods or sellers on its platform and the relative importance of those main parameters through an easily and publicly available description drafted in plain and intelligible language.

- (4) Every marketplace e-commerce entity shall include in its terms and conditions generally governing its relationship with sellers on its platform, a description of any differentiated treatment which it gives or might give between goods or services or sellers of the same category.
- (5) Every marketplace e-commerce entity shall take reasonable efforts to maintain a record of relevant information allowing for the identification of all sellers who have repeatedly offered goods or services that have previously been removed or access to which has previously been disabled under the Copyright Act, 1957 (14 of 1957), the Trade Marks Act, 1999 (47 of 1999) or the Information Technology Act, 2000 (21 of 2000):

Provided that no such e-commerce entity shall be required to terminate the access of such seller to its platform pursuant to this sub-rule but may do so on a voluntary basis.

6. **Duties of sellers on marketplace.** – (1) No seller offering goods or services through a marketplace e-commerce entity shall adopt any unfair trade practice whether in the course of the offer on the e-commerce entity's platform or otherwise.

- (2) No such seller shall falsely represent itself as a consumer and post reviews about goods or services or misrepresent the quality or the features of any goods or services.
- (3) No seller offering goods or services through a marketplace e-commerce entity shall refuse to take back goods, or withdraw or discontinue services purchased or agreed to be purchased, or refuse to refund consideration, if paid, if such goods or services are defective, deficient or spurious, or if the goods or services are not of the characteristics or features as advertised or as agreed to, or if such goods or services are delivered late from the stated delivery schedule:

Provided that in the case of late delivery, this sub-rule shall not be applied if such late delivery was due to force majeure.

- (4) Any seller offering goods or services through a marketplace e-commerce entity shall:
- (a) have a prior written contract with the respective e-commerce entity in order to undertake or solicit such sale or offer;
  - (b) appoint a grievance officer for consumer grievance redressal and ensure that the grievance officer acknowledges the receipt of any consumer complaint within forty-eight hours and redresses the complaint within one month from the date of receipt of the complaint;
  - (c) ensure that the advertisements for marketing of goods or services are consistent with the actual characteristics, access and usage conditions of such goods or services.
  - (d) provide to the e-commerce entity its legal name, principal geographic address of its headquarters and all branches, the name and details of its website, its e-mail address, customer care contact details such as fax, landline, and mobile numbers and where applicable, its GSTIN and PAN details.
- (5) Any seller offering goods or services through a marketplace e-commerce entity shall provide the following information to the e-commerce entity to be displayed on its platform or website:
- (a) all contractual information required to be disclosed by law;
  - (b) total price in single figure of any good or service, along with the breakup price for the good or service, showing all the compulsory and voluntary charges such as delivery charges, postage and handling charges, conveyance charges and the applicable tax, as applicable;
  - (c) all mandatory notices and information provided by applicable laws, and the expiry date of the good being offered for sale, where applicable;
  - (d) all relevant details about the goods and services offered for sale by the seller including country of origin which are necessary for enabling the consumer to make an informed decision at the pre-purchase stage;
  - (e) the name and contact numbers, and designation of the grievance officer for consumer grievance redressal or for reporting any other matter;
  - (f) name and details of importer, and guarantees related to the authenticity or genuineness of the imported products;



- (g) accurate information related to terms of exchange, returns, and refund including information related to costs of return shipping in a clear and accessible manner;
- (h) relevant details related to delivery and shipment of such goods or services; and
- (i) any relevant guarantees or warranties applicable to such goods or services.

**7. Duties and liabilities of inventory e-commerce entities: -**

(1) Every inventory e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users:

- (a) accurate information related to return, refund, exchange, warranty and guarantee, delivery and shipment, cost of return shipping, mode of payments, grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions;
  - (b) all mandatory notices and information required by applicable laws;
  - (c) information on available payment methods, the security of those payment methods, the procedure to cancel regular payments under those methods, any fees or charges payable by users, charge back options, if any, and the contact information of the relevant payment service provider;
  - (d) all contractual information required to be disclosed by law;
  - (e) total price in single figure of any good or service along with the breakup price for the good or service, showing all the compulsory and voluntary charges, such as delivery charges, postage and handling charges, conveyance charges and the applicable tax; and
  - (f) a ticket number for each complaint lodged, through which the consumer can track the status of their complaint.
- (2) No inventory e-commerce entity shall falsely represent itself as a consumer and post reviews about goods and services or misrepresent the quality or the features of any goods or services.
- (3) Every inventory e-commerce entity shall ensure that the advertisements for marketing of goods or services are consistent with the actual characteristics, access and usage conditions of such goods or services;
- (4) No inventory e-commerce entity shall refuse to take back goods, or withdraw or discontinue services purchased or agreed to be purchased, or refuse to refund consideration, if paid, if such goods or services are defective, deficient spurious, or if the goods or services are not of the characteristics or features as advertised or as agreed to, or if such goods or services are delivered late from the stated delivery schedule:
- Provided that in the case of late delivery, this sub rule shall not apply if such late delivery was due to force majeure.
- (5) Any inventory e-commerce entity which explicitly or implicitly vouches for the authenticity of the goods or services sold by it, or guarantees that such goods or services are authentic, shall bear appropriate liability in any action related to the authenticity of such good or service.

**8. Contravention of rules.** — The provisions of the Consumer Protection Act, 2019 (35 of 2019) shall apply for any violation of the provisions of these rules.

[ F. No. J-10/3/2018-CPU]

AMIT MEHTA, Jt. Secy.

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION****(Department of Consumer Affairs)****NOTIFICATION**

New Delhi, the 17th May, 2021

**G.S.R. 328 (E).**—In exercise of the powers conferred by sub-clause (zg) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules to amend the Consumer Protection (E-Commerce) Rules, 2020, namely: -

1. (1) These rules may be called the Consumer Protection (E-Commerce) (Amendment) Rules, 2021.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Consumer Protection (E-Commerce) Rules, 2020, in rule 4, for sub-rule (1), the following sub-rule shall be substituted, namely:--

“(1) where an e-commerce entity is a company incorporated under the Companies Act, 1956 (1 of 1956) or under the Companies Act, 2013 (18 of 2013) or a foreign company covered under clause (42) of section 2 of the Companies Act, 2013 (18 of 2013) or an office, branch or agency outside India owned or controlled by a person resident in India as provided in sub-clause (iv) of clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999), it shall appoint a nodal officer or an alternate senior designated functionary who is resident in India, to ensure compliance with the provisions of the Act or the rules made thereunder.”

[F. No. J-10/3/2018-CPU]

ANUPAM MISHRA, Jt. Secy.

**Note:** The principal rules was published in the Gazette of India, Extraordinary, Part-II, Section 3, sub-section (i) *vide* number G.S.R.462 (E ), dated the 23rd July, 2020.